



CITY OF MIAMI

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED:
SEPTEMBER 30TH, 2007



COMPREHENSIVE ANNUAL FINANCIAL REPORT



City of Miami, Florida
For the Year Ended September 30, 2007

Prepared by the Finance Department

City of Miami, Florida

Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2007

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

| | |
|----------------------------------|-----|
| PRINCIPAL CITY OFFICIALS | i |
| LETTER OF TRANSMITTAL | iii |
| CERTIFICATE OF ACHIEVEMENT | xi |
| ORGANIZATIONAL CHART | xii |

II. FINANCIAL SECTION

| | |
|--|---|
| Independent Auditors' Report | 1 |
| Management's Discussion and Analysis | 3 |

Basic Financial Statements:

Government-Wide Financial Statements

| | |
|-------------------------------|----|
| Statement of Net Assets | 13 |
| Statement of Activities..... | 14 |

Fund Financial Statements

Governmental Funds Financial Statements

| | |
|--|----|
| Balance Sheet..... | 15 |
| Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets | 16 |
| Statement of Revenues, Expenditures and Changes in Fund Balances | 17 |
| Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities | 18 |

Fiduciary Funds Financial Statements

| | |
|---|----|
| Statement of Fiduciary Net Assets..... | 19 |
| Statement of Changes in Fiduciary Net Assets..... | 20 |

Discretely Presented Component Units

| | |
|-------------------------------|----|
| Statement of Net Assets | 21 |
| Statement of Activities..... | 22 |

| | |
|---|----|
| Notes to the Financial Statements | 25 |
|---|----|

Required Supplementary Information:

Budgetary Comparison Schedules—Major Funds (General and Special Revenue):

| | |
|---|----|
| General Fund..... | 79 |
| Community Development Fund..... | 80 |
| Fire Rescue Services Fund..... | 81 |
| Communication Services Tax Fund..... | 82 |
| Notes to the Required Supplementary Information | 83 |

Pension Schedules:

| | |
|------------------------------------|----|
| Schedule of Funding Progress | 84 |
|------------------------------------|----|

Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds:

| | |
|--|----|
| Combining Balance Sheet | 90 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances..... | 96 |

Budgetary Comparison Schedules – Non-Major Governmental Funds:

| | |
|--|-----|
| Community Redevelopment Agency (OMNI CRA) Fund | 102 |
| Community Redevelopment Agency (Midtown CRA) Fund | 103 |
| Community Redevelopment Agency (SEOPW) Fund..... | 104 |
| Homeless Program | 105 |
| Choice Housing Vouchers Program..... | 106 |
| SHIP | 107 |
| Convention Center Fund | 108 |
| Economic Development & Planning Services Fund..... | 109 |
| Net Offices Fund..... | 110 |
| Parks and Recreation Services Fund..... | 111 |
| Police Services Fund..... | 112 |
| Law Enforcement Trust Fund | 113 |
| Public Works Services Fund..... | 114 |
| City Clerk Services Fund..... | 115 |
| Local Option Gas Tax..... | 116 |
| Stormwater Utility Fund | 117 |
| General Special Revenue | 118 |
| Departmental Improvement Initiatives Fund..... | 119 |
| Transportation & Transit Fund | 120 |
| Liberty City Revitalization Trust..... | 121 |
| Virginia Key Beach Trust | 122 |
| Gusman and Olympia Fund | 123 |
| General Obligation Bonds Fund | 124 |
| Other Special Obligation Bonds Fund..... | 125 |
| Community Redevelopment Other Special Obligation Bonds Fund..... | 126 |

Fiduciary Funds

Combining Statement of Fiduciary Net Assets.....129
Combining Statement of Changes in Fiduciary Net Assets.....130

III. STATISTICAL SECTION (Unaudited)

Net Assets by Component.....132
Changes in Net Assets133
Governmental Activities Tax Revenues by Source134
Fund Balances of Governmental Funds.....135
Changes in Fund Balances of Governmental Funds136
General Government Tax Revenues by Source137
Net Assessed Value and Estimated Actual Value of Taxable Property138
Property Tax Rates – Direct and Overlapping Governments139
Principal Property Taxpayers.....140
Property Tax Levies and Collections.....141
Ratios of Outstanding Debt by Type142
Ratios of General Bonded Debt Outstanding143
Direct and Overlapping Governmental Activities Debt144
Legal Debt Margin Information.....145
Pledged Revenue Coverage146
Demographics and Economic Statistics.....147
Principal Employers.....148
Full-Time Equivalent City Government Employees by Function149
Operating Indicators by Function150
Capital Assets Statistics by Function/Program.....151

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INTRODUCTORY SECTION

PRINCIPAL CITY OFFICIALS

LETTER OF TRANSMITTAL

CERTIFICATE OF ACHIEVEMENT

ORGANIZATIONAL CHART



City of Miami, Florida Principal City Officials

September 30, 2007

MAYOR

Manuel A. Diaz

CITY COMMISSION

Joe M. Sanchez, Chairman

Michelle Spence-Jones, Vice – Chairman

Angel González - Commissioner

Marc Sarnoff, Commissioner

Thomás P. Regalado, Commissioner

CITY MANAGER

Pedro G. Hernandez

CITY ATTORNEY

Julie O. Bru

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City of Miami



July 22, 2008

The Honorable Mayor,
Members of the City of Miami Commission,
and Citizens of the City of Miami, Florida

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Miami, Florida (the "City") for the fiscal year ended September 30, 2007 is hereby submitted. This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft or misuse and to compile sufficient reliable information for preparation of the City's financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal control has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free of material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

McGladrey & Pullen, LLP partnering with Sanson, Kline Jacomino, which is a firm of licensed certified public accountants, has audited the City's basic financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2007 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was reasonable basis for rendering an unqualified opinion that the City's basic financial statements for the fiscal year ended September 30, 2007 were presented fairly in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally and state mandated “Single Audit” designed to meet special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal control and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards.

GAAP requires that management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors. The remainder of this letter provides an overview of the City government as well as local economic conditions and prospects for the future.

PROFILE OF THE GOVERNMENT

The City of Miami, Florida (the “City”), in the County of Miami-Dade, was incorporated in 1896, and has a population of approximately 362,000, according to the 2004 Census Bureau estimates. The City is situated at the mouth of the Miami River on the western shores of Biscayne Bay and is a main port of entry into Florida and is the county seat of Miami-Dade County, Florida. The City comprises 34.3 square miles of land and 19.5 square miles of water.

The City Charter was adopted by the electors of the City of Miami at an election held May 17, 1921 and legalized and validated by Chapter 9024 of the laws of the State of Florida of 1921. During fiscal year 1997, the residents of the City voted on a referendum that created single-member districts and an Executive Mayor form of government. The City continues to operate under the Commission/City Manager form of government and provides the following services: police and fire protection, public works activities, solid waste collection, parks and recreational facilities, planning and development, community development, financial services and general administrative services.

The Florida Legislature, in 1955, approved and submitted to a general election, a constitutional amendment designed to give a new form of government to Miami-Dade County, Florida (the “County”). The County is, in effect, a municipality with governmental powers affecting thirty cities and unincorporated areas, including the City. The County has not displaced nor replaced the cities’ powers, but supplements them. The County can take over particular activities of the City’s operations if (1) the services fall below minimum standards set by the County Commission, or (2) with the consent of the governing body of the City. Accordingly, the County’s financial statements are not included in this report.

The accompanying financial statements include those of the City (the primary government) and those of its component units. Component units are legally separate organizations for which the primary government is financially accountable or organizations which should be included in

the City's financial statements because of the nature and significance of their relationship with the primary government.

The decision to include a potential component unit in the City's reporting entity is based on the criteria stated in GASB Statement No. 14 - *The Financial Reporting Entity*, which includes the ability to appoint a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the City.

Based upon the application of the criteria in GASB Statement No. 14, the financial statements of the component units listed below have been included in the City's reporting entity as either blended or discretely presented component units.

| BLENDDED | DISCRETELY PRESENTED |
|--|---------------------------------------|
| Southeast Overtown Park West CRA | Miami Sports and Exhibition Authority |
| OMNI CRA | Downtown Development Authority |
| Midtown CRA | Department of Off-Street Parking |
| Virginia Key Beach Park Trust | Bayfront Management Trust |
| Liberty City Revitalization District Trust | Health Facility Authority |
| Neighborhood Improvement Districts | Civilian Investigative Panel |

Blended component units, although legally separate entities, are, in substance, part of the City's operations. Accordingly, data from these component units are included with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the financial statements to emphasize that they are legally separate from the City. The financial activities and balances for each blended and discretely presented component unit are as of and for the year ended September 30, 2007.

The annual budget serves as the foundation for the City's financial planning and control. All departments and component units of the City are required to submit requests for appropriation to the City's Budget Department. Prior to August 31st, the City Manager submits to the City Commission a proposed operating budget by fund, except for the General Fund which is at the departmental level, for the fiscal year commencing the upcoming October 1st. The Mayor shall prepare and deliver a budgetary address annually to the people of the City between July 1st and September 30th. Such report shall be prepared after consultation with the City Manager. The City Commission is required to hold public hearings on the proposed budget and to adopt the final budget no later than September 30th, the close of the City's fiscal year. The budget is legally enacted through the passage of an ordinance and adoption of the budget report. Management may not make changes to the adopted budget without the approval of a majority vote of the City Commission. The City Commission may transfer among departments any part of an unencumbered balance of an appropriation to a purpose for which an appropriation for the current year has proved insufficient. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to future appropriations. Budgets are monitored at varying levels of classification detail;

however, budgetary control is legally maintained at the fund level except for the General Fund, which is maintained at the departmental level. Budget-to-actual comparisons are provided in this report for each major individual governmental fund for which an appropriated annual budget has been adopted. For all non-major governmental funds with appropriated annual budgets, this comparison is presented in the combining and individual fund section of this report.

ECONOMIC CONDITION AND OUTLOOK

The City of Miami continues to maintain a stable economic base despite the negative impacts of property tax reform and a slowing housing market being felt statewide. The City's tax base, currently \$39 billion, continues to grow as a result of continued new investment. Additionally, our regional economic base remains diversified comprised of wholesale and retail trade, construction, light manufacturing, and tourism. The City has made great strides in the areas of telecommunications and biomedical industries. Located in the center of a hemispheric market of more than 700 million people, and easily accessible to South and Central America, the Caribbean, Europe and Africa, Miami's strategic location and international commerce infrastructure make it the ideal location for international trade. As a result of expanding economies in several Latin American countries, international trade has been growing at double-digit rates in the Miami area.

Airport/Seaport

In 2007, the Miami International Airport (MIA) served nearly 34 million passengers, with nearly 46% of those being international passengers. MIA also shipped 2.1 million tons of domestic and international cargo during the year. MIA ranks among the top 5 in domestic airports for international freight and passenger volume. Currently, MIA has a \$6.2 billion Capital Improvement Program being implemented, including a new runway, terminal and cargo facility.

In 2007, the Port of Miami handled over 3.7 million cruise passengers. Long considered the Cruise Capital of the World, boasting more home-ported cruise ships than any other seaport. On the commercial side, the Port handled 7.8 million tons of cargo during the current year, a 9.5% reduction from last year. In an attempt to improve business to the Port, the City of Miami, Miami-Dade County and the Florida Department of Transportation entered into an interlocal agreement that approved the financing for the construction of a tunnel into the Port of Miami. The Port Tunnel Project is estimated to cost just over \$600 million, however it will create an economic benefit to the local economy of \$1.3 billion and the creation and retention of 14,090 jobs. Currently, the Port of Miami generates a \$2.2 billion in economic impact within the City of Miami, along with 17,300 jobs.

Arenas/Entertainment Venues

Miami-Dade County officially opened the regional Performance Arts Center (PAC). The PAC serves as the host venue for many Off Broadway shows; Jazz, Opera, and Pop music concerts; and educational and cultural programs. The PAC has also served as the catalytic project

spawning several hundreds of millions dollars in private investment in the surrounding communities of the Omni and Southeast Overtown Park West redevelopment districts.

The City, Miami-Dade County, and the Florida Marlins entered into a Baseball Stadium Agreement in February of 2008, subsequent to the closing of the fiscal year, to be built on the site of the existing Orange Bowl Stadium, in Little Havana. The Stadium is expected to cost approximately \$500 million and will seat 37,000 people. It is expected that the completion of the stadium along with the adjacent retail and commercial development will generate significant economic impact to the area and the region.

Public/Private Development Ventures.

The City continues to focus efforts on the development of its waterfront assets. Recently, the Historic Virginia Key Beach Trust completed its renovation and re-opened the historic black beach, on Virginia Key. Additionally, the City is completing the master planning process for the eventual redevelopment of the entire Key. It is expected that recommendations to better utilize City-owned commercial/recreational marina areas for more profitable public/private partnerships will result from the study.

The City is currently engaged in the process of restructuring the use agreement with Hyatt Hotel located on city-owned property adjacent the James L Knight Miami Convention Center in downtown Miami. The restructuring transaction potentially could include a sale of Garage 4, liquidation of existing debt encumbered on the garage and the convention center, and a renovation of the center to develop more usable convention space in the downtown core.

LONG-TERM FINANCIAL PLANNING

In order to meet the service demands of residents and visitors, the City continues to address the long-term financing necessary in order to fund the capital projects essential to the creation, improvement, enhancement and preservation of public facilities and infrastructure.

The City's fiscal year 2006-2007 five-year Capital Improvement Plan, covering the period from October 1, 2006 through September 30, 2012, has earmarked funding estimated at \$800.5 million for 490 projects throughout the City. Streets and sidewalks projects account for the largest portion of the total Capital Plan funding at \$256.2 million or 32.0%. Parks and recreation projects are the second largest, accounting for \$162.1 million, or 20.2%, and Public Facilities projects are the third largest accounting for \$108.3 million, or 13.5% of the total Capital Plan.

City bonds represent the largest share of funding for the Capital Plan, accounting for 45.5% of the value. Capital project revenues (impact fees, storm water utilities, optional gas tax, etc.) account for 30.5%, funding derived from Miami-Dade County accounts for 14.9% and the remaining 9.1% of funding is from Federal, State and other private donations.

RELAVENT FINANCIAL POLICIES

Debt Management - The City operates within an established formal debt management policy, which applies to all new issuances of debt and all outstanding debt issues. The City continues to obtain, in an efficient and innovative manner, long-term financing for the construction or acquisitions of various long-term assets. The policy's objective is to adequately plan and meet the City's comprehensive construction demands for essential capital improvements and equipment, and, at the same time, ensure that the residents of the City are not overburdened with general obligation long-term debt payable from ad valorem taxes.

Cash Management Policies and Practices - In order to achieve maximum financial return on all available funds, the Finance Department pursues an aggressive cash management and investment program within the constraints imposed by Florida Statutes and local policies adopted by resolution by the City Commission. The City operates within established formal investment policies, which applies to all investments of public funds. Idle cash balances are invested on a daily basis at the best interest rates available in the markets. Investments consist primarily of United States treasury and agency securities, and commercial paper. For purposes of maximizing the interest earning yield on short-term investments, cash balances of all funds are pooled. The primary objective of the City's policy is preservation of capital. It is the City's policy not to invest in highly leveraged derivatives. Investment income reported in these financial statements includes the adjustment to the fair value of the investments. Increases or decreases in fair value during the current year, however, do not necessarily represent trends that will continue, nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the City intends to hold to maturity.

Risk Management - The City administers a self-insurance program for workers' compensation, tort liability, property, and group health and life insurance programs, subject to certain stop-loss provisions. The health and life insurance programs are administered by an independent administrator. The City funds the program on an annual payout basis. Insurance coverage is maintained with independent carriers for property damage to City facilities. The City maintains excess coverage with independent carriers for workers' compensation and general liability.

Prior Period Adjustment - Certain amounts have been restated at September 30, 2006 in order to correct prior period accounting errors. For further discussion refer to Note 2.

MAJOR INITIATIVES

With the improvement in the financial condition of the City, the emphasis has been to restore, maintain and beautify urban and residential infrastructure through a program of major renovations and improvements to City parks, streets, sidewalks, and drainage systems. Additionally, Miami 21 – the comprehensive master plan for the City of Miami – has made great strides since its launch in May of 2006. Miami 21 takes a holistic approach to land use and urban planning, broadening the scope of a traditional master plan to become a truly comprehensive plan. Miami 21 will provide a clear vision for the City that will be supported by

specific guidelines and regulations so that future generations will reap the benefits of well-balanced neighborhoods and rich quality of life. While the external improvements are critical to promote further economic development, the City has successfully implemented a City-wide Enterprise Resource Planning system (Oracle) calling the project “iMiAMi” in order to address the technology needs internally within the administration.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Miami, Florida for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2006. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. The attainment of this award represents a significant accomplishment by a government and its financial management.

In order to be awarded a Certificate of Achievement, the City had to publish an easily readable and efficiently organized CAFR, whose contents conform to established program standards. Such comprehensive reports must satisfy both generally accepted accounting principles and applicable legal requirements. To earn a Certificate of Achievement, a government must demonstrate constructive spirit of full disclosure to clearly communicate its financial story while enhancing the understanding of the logic underlying the traditional governmental financial reporting model.

The City's 2006 Comprehensive Annual Financial Report has been evaluated by an impartial Special Review Committee composed of other government officers, independent certified public accountants, educators, and others with particular expertise in government accounting and financial reporting. A Certificate of Achievement is valid for a period of one year only. We believe that the 2007 Comprehensive Annual Financial Report continues to conform to the high standards of the Certificate of Achievement Program and we are submitting it to the GFOA for consideration.

The City has also received the award for Outstanding Achievement in Popular Annual Reporting for the September 30, 2006 Popular Annual Financial Report. This award is given for those reports whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

ACKNOWLEDGEMENTS

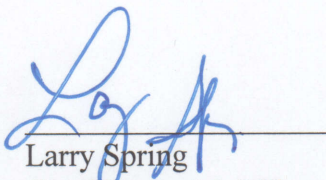
The Comprehensive Annual Financial Report's preparation was made possible through the efficient, dedicated and professional efforts of the entire staff in the Finance Department. The significant amount of year-end closing procedures required prior to the audit, could not have been accomplished without much hard work and personal sacrifice. Each member of the department has our sincere appreciation for the contributions made to assist in the in-house preparation of this report.

The guidance and cooperation of the Mayor and City Commission in planning and conducting the financial affairs of the City is greatly appreciated. We also wish to express our appreciation to our Certified Public Accountants, McGladrey & Pullen, LLP in association with Sanson, Kline Jacomino for their cooperation and assistance. Lastly, we wish to express our appreciation to the City's Office of Communication for the use of the cover photograph and General Services Administration for the reproduction of this report.

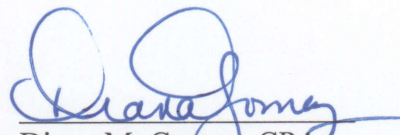
Sincerely,



Pedro G. Hernandez
City Manager



Larry Spring
Chief Financial Officer



Diana M. Gomez, CPA
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Miami
Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

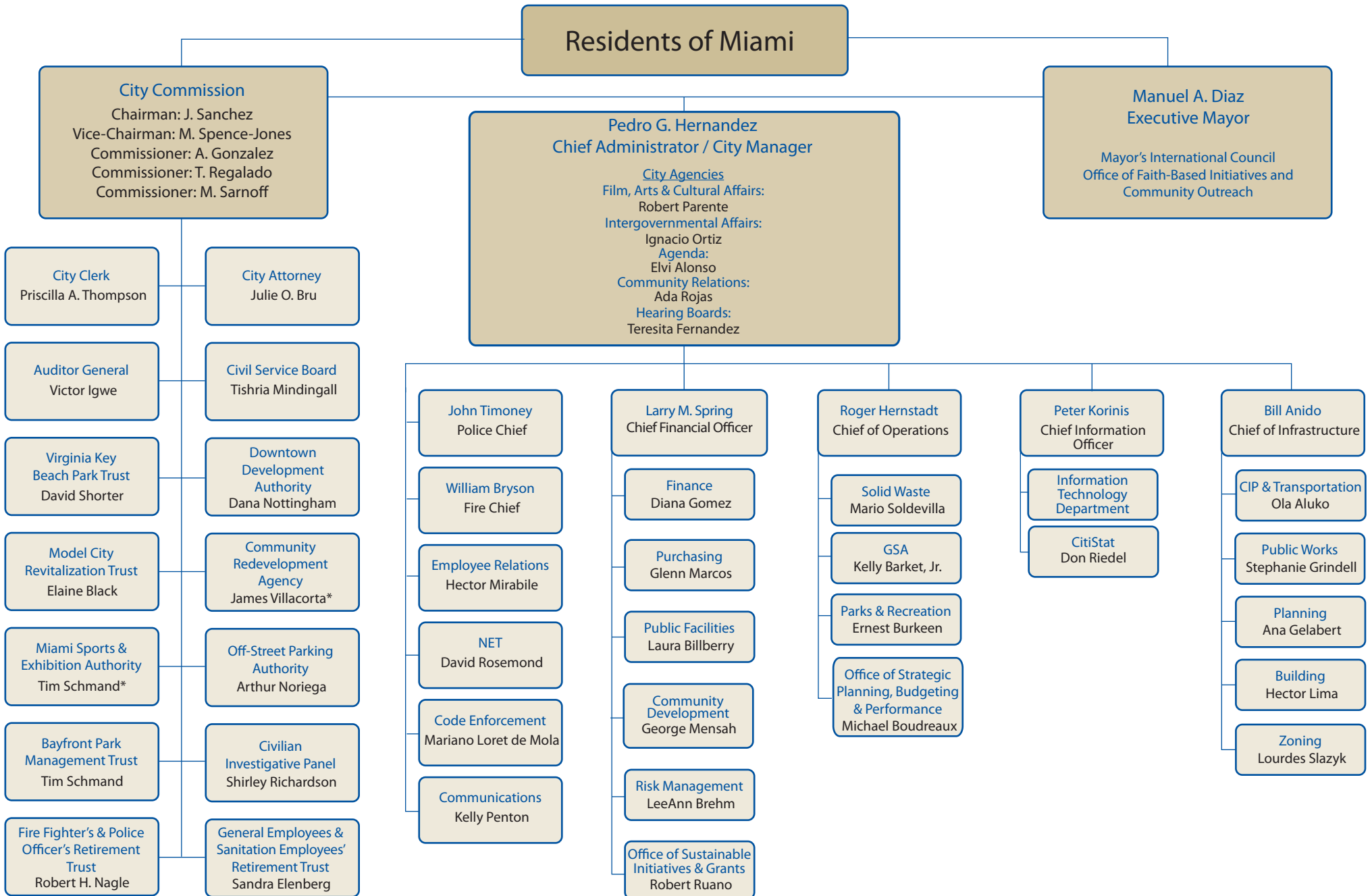


Chloe S. Cox

President

Jeffrey R. Emer

Executive Director



*Acting/Interim



FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS
(Government-Wide Financial Statements)
(Fund Financial Statements)

NOTES TO THE FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

The Honorable Mayor, Members of the
City Commission and City Manager
City of Miami, Florida

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami, Florida (the "City"), as of and for the year ended September 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Southeast Overtown Park West Redevelopment Agency, the Omni Redevelopment Agency, the Miami Midtown Community Redevelopment Agency, the Gusman and Olympia Special Revenue Fund, the Virginia Key Beach Park Trust, the Liberty City Community Revitalization District Trusts, the Firefighters' and Police Officers' Retirement Trust and the General Employees' and Sanitation Employees' Retirement Trust and Other Managed Trusts which represent 94% and 82%, respectively, of the assets and revenues/additions of the aggregate remaining fund information. These entities also represent 4% and 3%, respectively, of the assets and revenues of the governmental activities balances. We also did not audit the financial statements of the Miami Sports and Exhibition Authority, Downtown Development Authority, Bayfront Park, and the Civil Investigative Panel, discretely presented component units of the City, which represents 23% of the total assets and 32% of the total revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions, insofar as it relates to the amounts included for the Southeast Overtown Park West Redevelopment Agency, the Omni Redevelopment Agency, the Miami Midtown Community Redevelopment Agency, the Gusman and Olympia Special Revenue Fund, the Virginia Key Beach Park Trust, the Liberty City Community Revitalization District Trusts, the Firefighters' and Police Officers' Retirement Trust, the General Employees' and Sanitation Employees' Retirement Trust and Other Managed Trusts, the Miami Sports and Exhibition Authority, Downtown Development Authority, Bayfront Park, and the Civil Investigative Panel, are based on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Miami, Florida, as of September 30, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 of the financial statements, the fund balance of the Fire Rescue Fund as of September 30, 2006 has been restated. We audited the adjustments necessary to restate the 2006 financial statements as disclosed in Note 2. In our opinion, such adjustments are appropriate and have been properly applied.

In accordance with *Government Auditing Standards*, we have also issued under separate cover our report dated July 22, 2008 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 11, the budgetary comparison information on pages 79 through 83, and the schedule of funding progress on page 84 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We and the other auditors have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual fund financial statements and schedules, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

Miami-Dade County, Florida
July 22, 2008

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the City of Miami, Florida (the “City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2007. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii – x of this report.

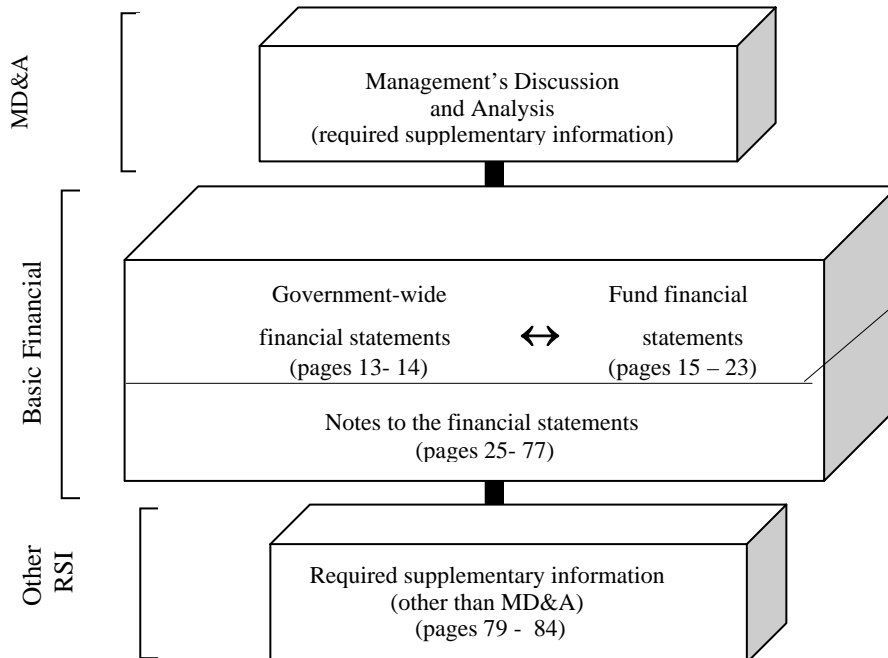
FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$739,162,726.
- The governmental activities revenue increased \$15,543,159 (or 2.3%) and the net results from activities decreased by \$41,674,338. In 2007 and 2006, the results of activities produced a change in net assets of \$7,405,856 and \$51,180,194, respectively.
- The General Fund (the primary operating fund) reflected on a current financial resource basis, reflects a decrease in fund balance of \$25,806,369 or (20.44%).
- The City’s total debt for bonds and loans increased by \$39,352,839 (or 9.80%) during the current year. New debt in the amount of \$189,787,000 was issued in the current fiscal year.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements are comprised of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

In light of the fact that this is a very different presentation of the City’s general purpose financial statements from previous years, the following graphic is provided for your review.



The focus of the financial statements under the GASB 34 model (originally implemented by the City in 2001/2002) is on both the City as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the City’s accountability.

Government-Wide Financial Statements

The government-wide financial statements (see pages 13 – 14) are designed to be corporate-like, in that all governmental activities are presented in columns that add to a total for the Primary Government. The focus of the Statement of Net Assets is designed to be similar to bottom line results for the City and its governmental activities. This statement reflects the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. The City does not have any business-type activities for financial reporting purposes.

The Statement of Activities (see page 14) is focused on both the gross and net cost of various functions (including governmental activities and component units), which are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or component units.

Component units, which are other governmental units over which the City can exercise influence and/or may be obligated to provide financial subsidies, are presented as a separate column in the government-wide financial statements. The focus of the statements is clearly on the primary government and the presentation allows the user to address the relative relationship with the component units.

The governmental activities reflect the City's basic services, including police, fire, solid waste collection, parks and cultural activities, and general administration. Property taxes, other local taxes, and federal grants finance the majority of these activities.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements' presentation more familiar. Their focus is on the City's major funds. The fund financial statements provide more information about the City's most significant funds – not the City as a whole.

The City has two kinds of funds:

Governmental Funds – Most of the City's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, a reconciliation is provided to facilitate the comparison between governmental funds and governmental activities.

The City maintains forty individual governmental funds. Information is presented separately in the governmental fund Balance Sheets and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Community Development Fund, Fire Rescue Services Special Revenue Fund, Communication Services Tax Special Revenue Fund, General Government Capital Projects Fund, and the Streets and Sidewalks Capital Projects Fund, which are considered to be major funds. Data from the other thirty-four governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund, Special Revenue Funds, and Debt Service Funds. Budgetary comparison schedules have been provided for the General Fund and each major Special Revenue Fund that adopts a budget to demonstrate compliance with the budget. Such information is presented as required supplementary information.

The basic governmental fund financial statements can be found on pages 15 – 18 of this report.

Fiduciary Funds – These funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs.

The basic fiduciary fund financial statements can be found on pages 19 – 20 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 – 77 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparisons and the City’s progress in funding its obligations to provide pension benefits to its employees. Required supplementary information can be found on pages 79 – 84 of this report.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 90 – 126 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the City, assets exceed liabilities by \$739,162,726 at the close of the most recent fiscal year.

The largest portion of the City’s net assets (98.5%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net assets (23.6%) represents resources that are subject to external restrictions on how they may be used.

The remaining unrestricted net assets deficit of \$93,712,582 is primarily due to outstanding borrowings of approximately \$73.237 million for which there are no off-setting assets.

The unrestricted deficit in net assets decreased by \$4,356,895 primarily because of the effects of prior period restatement and correction of prior year errors.

The following schedule reflects a summary of net assets compared to the prior year:

Summary of Net Assets as of September 30,

| | Governmental Activities | |
|---|--------------------------------|----------------|
| | 2007 | 2006 |
| Current and other assets | \$ 530,145,898 | \$ 485,677,429 |
| Capital assets | 988,932,377 | 923,954,326 |
| Total assets | 1,519,078,275 | 1,409,631,755 |
| Other liabilities | 181,229,877 | 78,154,774 |
| Long-term liabilities | 598,685,672 | 599,720,111 |
| Total liabilities | 779,915,549 | 677,874,885 |
| Net assets: | | |
| Invested in capital assets, net of debt | 730,272,844 | 640,931,069 |
| Restricted | 102,602,464 | 188,895,278 |
| Unrestricted (Deficit) | (93,712,582) | (98,069,477) |
| Total net assets | \$ 739,162,726 | \$ 731,756,870 |

Governmental Activities – As noted earlier, governmental activities increased the City’s net assets by \$7,405,856. Key elements of this increase are as follows:

| | Changes in Net Assets | |
|--|--------------------------------|-----------------------|
| | Governmental Activities | |
| | 2007 | 2006 |
| Revenues: | | |
| Program revenues: | | |
| Charges for services | \$ 141,265,941 | \$ 196,854,741 |
| Operating grants and contributions | 71,070,882 | 34,889,443 |
| Capital grants and contributions | 69,140,730 | 72,067,622 |
| General revenues: | | |
| Property taxes | 294,899,503 | 246,474,585 |
| Franchise taxes | 42,257,282 | 41,342,214 |
| State revenue sharing - unrestricted | 13,073,886 | 12,947,019 |
| Sales and other use taxes | 25,505,412 | 25,800,341 |
| Communication services tax | 58,099,069 | 57,991,178 |
| Investment earnings - unrestricted | 23,837,450 | 14,477,950 |
| Loss on disposal of asset | - | - |
| Other | - | 768,767 |
| Gain on sale of capital assets | 1,502,044 | - |
| Special item - Impairment loss on capital assets | (23,595,180) | - |
| Total revenues | <u>717,057,019</u> | <u>703,613,860</u> |
| Expenses: | | |
| General government | 121,694,219 | 85,315,437 |
| Planning and development | 16,923,477 | 16,911,621 |
| Community development | 35,486,773 | 41,054,245 |
| Community redevelopment areas | 7,011,132 | 6,331,328 |
| Public works | 75,073,321 | 65,958,181 |
| Public safety | 343,470,082 | 347,976,631 |
| Public facilities | 16,691,365 | 14,917,431 |
| Parks and recreation | 39,893,208 | 25,718,056 |
| Interest on long-term debt | 23,859,254 | 21,560,094 |
| Unallocated depreciation | 29,548,332 | 26,690,642 |
| Total expenses | <u>709,651,163</u> | <u>652,433,666</u> |
| Change in net assets | <u>7,405,856</u> | <u>51,180,194</u> |
| Net assets - Beginning, as reported | 731,756,870 | 680,553,092 |
| Restatement | - | 23,584 |
| Net assets - Beginning, as restated | <u>731,756,870</u> | <u>680,576,676</u> |
| Net assets - Ending | <u>\$ 739,162,726</u> | <u>\$ 731,756,870</u> |

The decrease in charges for services in the current year was due partially to decreases in impact fees (\$6.1 million), decreases in fire fee revenue (\$12.0 million), decreases in community development charges (\$2 million) decreases in building permits and fees (\$4 million), decreases in miscellaneous and special recreation charges (\$20 million), and a reduction from a one-time insurance claim from the prior year (\$2 million).

The increase in operating grants and contributions is primarily the result of an increase in Storm Sewer and Parks and Recreation grants received from Miami-Dade County General Obligation Bond Project that was approved by voter referendum in 2004.

The increase in capital grants and contributions is primarily due to money received from Miami-Dade County for projects related to the general obligation bond refunding of 2004.

Property taxes increased by 19.65% or \$48.42 million during the year. The increase was due to a 22.45% (\$6.05 billion) increase in the net assessed value of taxable property. The City has decreased the overall millage rate for the last seven years to the current rate of 7.8775 (Operating: 7.2999, Debt Service: 0.5776).

Investment income increased approximately \$9.4 million even though the Federal Reserve decreased short-term interest rates during fiscal year 2007 by approximately 0.5%. Higher cash balances throughout the year produced the increase investment earnings.

General Government expenses experienced an increase from the prior year as a result of cost of living adjustments paid to employees with the ratification of the City’s labor contracts for approximately \$40 million, an increase of \$3.2 million of expenses related to an agreement between the City and the Parrot Jungle Island, and various increases in capital projects’ expenses for the current year.

Community Development expenses decreased due to a reduction of Community Development Block Grant funds during the current fiscal year.

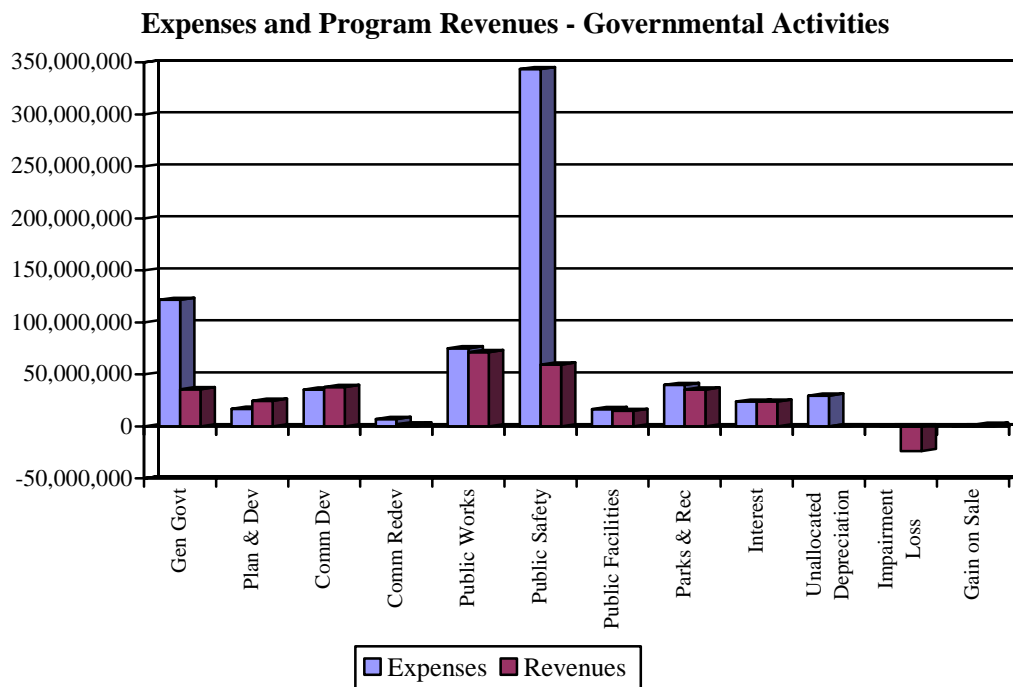
Community Redevelopment Agency expenses increased by approximately \$600,000 as a result of new project activity during the current year in the respective districts.

Public Works experienced an increase from the prior year as a result of cost of living adjustments paid to employees with the ratification of the City’s labor contracts as well as increases in capital outlay on various projects.

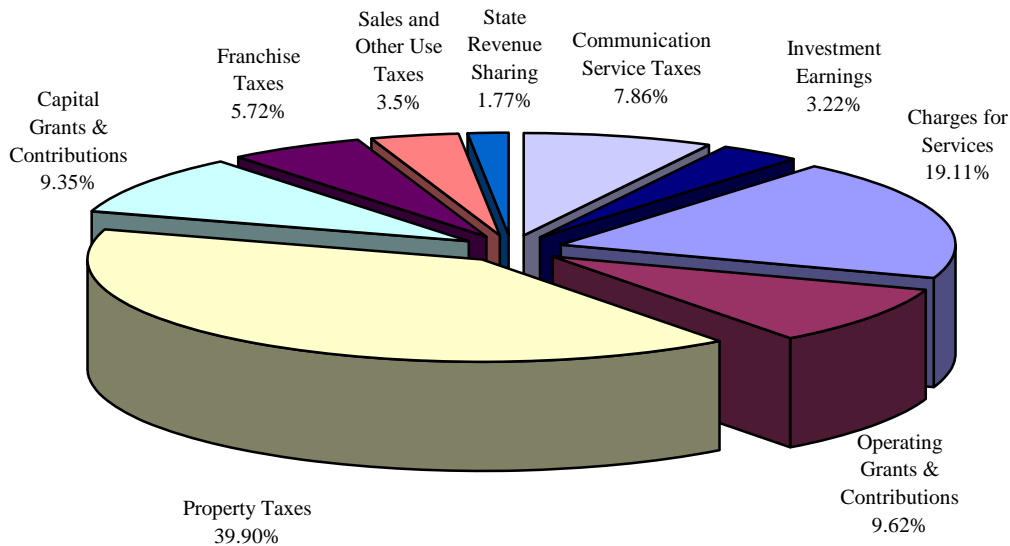
Public Safety experienced an increase from the prior year as a result of cost of living adjustments paid to employees with the ratification of the City’s labor contracts. Additionally, there were no hurricane related expenses in the current year where as the prior year reported substantial amounts of expenses in hurricane-related costs.

Public Facilities experienced an increase from the prior year as a result of cost of living adjustments paid to employees with the ratification of the City’s labor contracts as well as additional expenses in capital to the Orange Bowl and Dinner Key Marina.

Parks and Recreation experienced an increase from the prior year as a result of cost of living adjustments paid to employees with the ratification of City’s labor contracts as well as increase in capital outlay on various projects.



REVENUE BY SOURCE – GOVERNMENTAL ACTIVITIES



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds – The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$96,681,318, while the total fund balance was \$100,450,144. As a measure of the General Fund's liquidity, it may be helpful to compare both unreserved fund balance and total fund balance to the fund's total operational expenditures. Unreserved fund balance represents 18.25% of the total expenditures and transfers-out for recurring operational costs reported in other funds, while total fund balance represents 18.96% of that same total amount.

The General Fund's fund balance decreased by \$25,806,369 during the current fiscal year. Key factors in this decrease are as follows:

- Fire Assessment Settlement accrued for in FY 2007 (\$11.7 million).
- Additional contract costs due to the ratification of the City's labor contracts (\$17.0 million).
- Net effect of various inflows and outflows during the fiscal year.

Financial highlights of the City's other major governmental funds are as follows:

The Community Development Fund had a total fund balance of \$1,847,708. The decrease in fund balance during the current year of \$3,876,569 was attributable to normal program activities and the fact that the Choice Housing Voucher Program and the SHIP program were presented as separate reporting funds during fiscal year 2007.

The Fire Rescue Services Fund had a negative fund balance of \$17,545,192. Of this amount, approximately \$2.2 million is reserved for encumbrances and approximately \$11.8 million was re-classified as deferred revenue from the previous year, thereby creating an unreserved deficit of \$19,754,359.

The Public Services Tax Fund had a total fund balance of \$5,327,547, of which \$4,027,253 is designated for the payment of future settlements.

The General Government Capital Projects Fund had a fund balance of \$104,269,620, of which \$7,482,477 is reserved for encumbrances. The \$55,333,656 increase in fund balance can be attributed to the issuance of new debt during the year totaling approximately \$51 million.

The Street and Sidewalks Capital Projects Fund had a fund balance of \$13,623,678, of which \$9,357,112 is reserved for encumbrances. The \$31,643,002 decrease in fund balance can be attributed to ongoing completion of various capital projects.

Fund balance for the Fire Rescue Services Fund has been restated at September 30, 2006 to correct an error for the recognition of revenue related to the recording of hurricane related expenditures. The impact of this restatement is a reduction of \$14.4 million in fund balance in the Fire Rescue Services Fund at September 30, 2006.

GENERAL FUND BUDGETARY HIGHLIGHTS

The General Fund budget was increased by \$29,611,125 from the original budget (an increase of 5.8%). The major components of this increase can be summarized as follows (please see budget to actual comparison on page 79):

- \$1,717,571 decreased allocation to Public Works
- \$5,604,247 increased allocation to Non-Departmental expenditures
- \$8,472,253 increased allocation to Organizational Support
- \$14,297,701 decreased allocation to Pensions
- \$15,652,621 decreased allocation to Risk Management
- \$48,538,048 increased allocation to Public Safety

Substantial portions of the net increase in allocations were funded by either revenue in excess of the original budget estimates or with the use of fund balance.

The budget for intergovernmental revenues was increased primarily due to recognition of \$11,823,247 received under the provisions of Florida Statutes 175 and 185, to fund a separate non-contributory money purchase benefit plan for the public safety employees of the City.

The budget to actual variance for charges for services resulted in an \$8,611,718 negative variance due to a change in account codes and classification corrections from the prior year.

The budget to actual variance for other revenues resulted in a \$10,815,215 negative variance due to employee group insurance contributions which were budgeted as miscellaneous revenue being recorded as an expenditure credit under Risk Management.

Non-Departmental experienced a positive variance against the budget of \$7,282,947 as a result of contributions from the Capital Improvement Fund not expended in fiscal year 2007, returned to the general fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At September 30, 2007, the City had a total of \$988,932,377 net of accumulated depreciation invested in a variety of capital assets as reflected in the following schedule, which represents a net increase (additions less retirements and depreciation) of \$64,978,051 or 7.0% from the end of the prior year.

Capital Assets at Year End (Net of Depreciation)

| | Governmental Activities | |
|--------------------------|----------------------------|----------------|
| | 2007 | 2006 |
| Land | \$ 86,719,846 | \$ 79,182,702 |
| Construction-in-Progress | 194,648,902 | 130,405,130 |
| Buildings | 61,709,616 | 71,617,695 |
| Improvements | 64,286,005 | 53,046,346 |
| Machinery and Equipment | 57,194,434 | 63,583,208 |
| Infrastructure | 524,373,574 | 526,119,245 |
| Total | \$ 988,932,377 | \$ 923,954,326 |

Major capital asset events during the current fiscal year included the following:

- The City made various land acquisitions totaling approximately \$8.8 million for the development of various City parks.
- Construction in progress increased approximately \$64.2 million due to increased construction to improve City-wide infrastructure as a result of the City's 5-year Capital Plan.
- The decrease in Buildings and Infrastructure was a result of current year depreciation expense which reduced the carrying value of the assets.
- Machinery and Equipment decreased as a result of disposals.
- Improvements increased by approximately \$11.3 million primarily due to various projects completed in the current year that were transitioned out of construction in progress.
- During FY2007, the University of Miami did not renew its lease with the Orange Bowl and the City demolished the Orange Bowl site to make room for the future Florida Marlins baseball stadium. As a result, the City recognized a capital asset impairment loss of \$23,595,180.

Additional information on the City's capital assets can be found in Note 1 on page 32 and Note 6 on page 48 in the notes to the financial statements.

Long-Term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$440,755,782. Of this amount, \$245,689,409 comprises debt backed by the full faith and credit of the City; the remainder represents bonds and loans secured solely by specific revenue sources (i.e., revenue bonds).

| | Outstanding Debt | |
|--|--|-----------------------|
| | General Obligation Bonds, Special Obligations and Revenue Bonds and Loans | |
| | Governmental Activities | |
| | 2007 | 2006 |
| General Obligation Bonds | \$ 245,689,409 | \$ 205,306,932 |
| Special Obligation Bonds, Revenue Bonds and Loans | 195,066,373 | 19,696,011 |
| Total | <u>\$ 440,755,782</u> | <u>\$ 225,002,943</u> |

The City's total debt increased \$39,352,839 (or 9.80%) during the current fiscal year. The City issued new debt in the amount of \$189,787,000 during the current fiscal year.

The City maintained its bond rating on its general obligation debt of A+ from Standard & Poor's, an A2 from Moody's and an A- from Fitch Ratings.

Additional information on the City's long-term liabilities can be found in Note 9 on pages 52 – 60 in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The City's elected and appointed officials considered many factors when adopting the fiscal year 2007 budget. Included among these factors were uncertainties regarding the fire assessment fee, pension costs, health insurance costs, and various economic indicators.

Per the U.S. Department of Labor, the unemployment rate for South Florida is currently 3.9%, which is an increase of 14.71% from a year ago. This rate is lower than the State's average unemployment rate of 4.7% and lower than the national average rate of 5.0%. The region's inflation rate of 5.8% is significantly higher than the national indices of 4.1%.

FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If users have questions about the report or need additional financial information, they should contact Diana M. Gomez, Director of the City of Miami's Finance Department, 444 Southwest 2nd Avenue, 6th Floor Finance, Miami, Florida 33130, or visit the City's web site at www.miamigov.com.

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City of Miami, Florida
Statement of Net Assets
September 30, 2007

| | Governmental Activities | Component Units |
|--|------------------------------------|----------------------------|
| Assets | | |
| Cash, Cash Equivalents and Investments | \$ 406,515,710 | \$ 28,692,498 |
| Receivables - Net | 30,742,608 | 934,400 |
| Accrued Interest | 2,639,657 | 46,364 |
| Due from Other Governments | 61,373,409 | - |
| Due from Primary Government | - | 327,012 |
| Prepays | 1,096,668 | 259,003 |
| Other Assets | 7,577 | 1,593,019 |
| Restricted Assets: | | |
| Cash, Cash Equivalents and Investments | 18,817,614 | 33,101,243 |
| Capital Assets: | | |
| Non-Depreciable | 273,286,021 | 18,811,880 |
| Depreciable - Net | 715,646,356 | 25,459,363 |
| Deferred Charges | 8,952,655 | - |
| Total Assets | 1,519,078,275 | 109,224,782 |
| Liabilities | | |
| Accounts Payable and Accrued Liabilities | 88,648,026 | 3,195,734 |
| Due to Other Governments | 2,909,663 | 682,703 |
| Due to Component Units | 327,012 | - |
| Unearned Revenue | 15,199,466 | 678,342 |
| Deposits | 5,458,979 | 329,622 |
| Accrued Interest Payable | 4,005,057 | 995,119 |
| Non-Current Liabilities | | |
| Due Within One Year: | | |
| Bonds and Loans Payable | 23,052,007 | 920,000 |
| Capital Lease | 658,722 | - |
| Compensated Absences | 6,845,793 | 506,187 |
| Claims Liability | 30,247,944 | - |
| Due In More Than One Year: | | |
| Bonds and Loans Payable | 417,703,775 | 50,832,291 |
| Compensated Absences | 69,626,003 | 362,407 |
| Claims Liability | 111,355,894 | - |
| Net Pension Obligation | 3,877,208 | - |
| Total Liabilities | 779,915,549 | 58,502,405 |
| Net Assets | | |
| Invested in Capital Assets - Net of Related Debt | 730,272,844 | 25,807,064 |
| Restricted for: | | |
| Capital Projects | 56,986,743 | - |
| Debt Service | 5,602,089 | 300,891 |
| Law Enforcement | 3,474,020 | - |
| Community Redevelopment | 31,902,933 | - |
| Choice Housing Voucher Program | 48,393 | - |
| E-911 | 4,588,286 | - |
| Unrestricted (Deficit) | (93,712,582) | 24,614,422 |
| Total Net Assets | \$ 739,162,726 | \$ 50,722,377 |

The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Statement of Activities
For the Year Ended September 30, 2007

| Functions/Programs Activities: | Program Revenues | | | | Net (Expenses) Revenue and Changes in Net Assets | |
|--|-----------------------|-------------------------|--|--|---|----------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government Governmental Activities | Component Units |
| Primary Government: | | | | | | |
| Governmental Activities: | | | | | | |
| General Government | \$ 121,694,219 | \$ 33,403,595 | \$ 1,548,251 | \$ 696,192 | \$ (86,046,181) | \$ - |
| Planning and Development | 16,923,477 | 24,558,217 | - | - | 7,634,740 | - |
| Community Development | 35,486,773 | 2,301,538 | 35,582,962 | - | 2,397,727 | - |
| Community Redevelopment Areas | 7,011,132 | 1,414,979 | 658,236 | - | (4,937,917) | - |
| Public Works | 75,073,321 | 46,587,956 | 11,655,380 | 13,265,300 | (3,564,685) | - |
| Public Safety | 343,470,082 | 22,952,364 | 17,424,068 | 19,062,661 | (284,030,989) | - |
| Public Facilities | 16,691,365 | 6,558,800 | 2,095,261 | 6,265,576 | (1,771,728) | - |
| Parks and Recreation | 39,893,208 | 3,488,492 | 2,106,724 | 29,851,001 | (4,446,991) | - |
| Interest on Long-Term Debt | 23,859,254 | - | - | - | (23,859,254) | - |
| Unallocated Depreciation | 29,548,332 | - | - | - | (29,548,332) | - |
| Total primary government | \$ 709,651,163 | \$ 141,265,941 | \$ 71,070,882 | \$ 69,140,730 | (428,173,610) | - |
| Component Units: | | | | | | |
| Miami Sports Exhibition Authority | \$ 8,808,581 | \$ 35,318 | \$ - | \$ - | - | (8,773,263) |
| Department of Off-Street Parking | 21,728,005 | 20,788,522 | - | - | - | (939,483) |
| Downtown Development Authority | 3,590,473 | - | - | 90,000 | - | (3,500,473) |
| Bayfront Park | 4,204,138 | 3,071,878 | 1,085,000 | - | - | (47,260) |
| Civilian Investigative Panel | 985,221 | - | 985,221 | - | - | - |
| Total component units | \$ 39,316,418 | \$ 23,895,718 | \$ 2,070,221 | \$ 90,000 | - | (13,260,479) |
| General Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property Taxes, levied for general purposes | | | | | 275,012,727 | 4,008,323 |
| Property Taxes, levied for debt service | | | | | 19,886,776 | - |
| Franchise Taxes | | | | | 42,257,282 | - |
| State Revenue Sharing - Unrestricted | | | | | 13,073,886 | - |
| Sales and Other Use Taxes | | | | | 25,505,412 | - |
| Public Service Taxes | | | | | 58,099,069 | - |
| Investment Earnings - Unrestricted | | | | | 23,837,450 | 3,253,375 |
| Other | | | | | - | 402,796 |
| Gain on Sale of Capital Assets | | | | | 1,502,044 | - |
| Special Item - Impairment Loss on Capital Assets | | | | | (23,595,180) | - |
| Total General Revenues and Special Item | | | | | <u>435,579,466</u> | <u>7,664,494</u> |
| Change in Net Assets | | | | | 7,405,856 | (5,595,985) |
| Net assets - Beginning | | | | | 731,756,870 | 56,318,362 |
| Net assets - Ending | | | | | <u>\$ 739,162,726</u> | <u>\$ 50,722,377</u> |

The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Balance Sheet
Governmental Funds
September 30, 2007

| | Major Funds | | | | | | Other Non-Major Governmental Funds | Total Governmental Funds |
|--|-----------------------|--------------------------|-------------------------|-------------------------------|-----------------------|-----------------------|---|--------------------------------|
| | General | Community Development | Fire Rescue Services | Communication Services Tax | General Government | Street & Sidewalks | | |
| Assets | | | | | | | | |
| Cash, Cash Equivalents and Investments | \$ 114,196,010 | \$ 4,167,965 | \$ - | \$ - | \$ 105,859,798 | \$ 20,629,160 | \$ 161,662,777 | \$ 406,515,710 |
| Restricted Cash and Investments | 4,985,292 | 930 | - | - | - | - | 13,831,392 | 18,817,614 |
| Receivables (Net of Allowances for Uncollectibles): | | | | | | | | |
| Accounts | 13,476,440 | 44,847 | 29,345 | - | - | 3,903 | 3,819,431 | 17,373,966 |
| Taxes | 12,236,367 | - | - | - | - | - | 1,132,275 | 13,368,642 |
| Due from Other Funds | 29,988,666 | - | - | - | - | - | - | 29,988,666 |
| Due from Other Governments | 783,373 | 6,267,809 | 18,087,804 | 8,240,241 | 131,224 | 1,290,688 | 26,572,270 | 61,373,409 |
| Accrued Interest | 1,824,374 | 3,466 | 964 | - | 241,771 | 81,985 | 487,097 | 2,639,657 |
| Prepays | 1,025,720 | - | - | - | - | - | 70,948 | 1,096,668 |
| Other Assets | 7,577 | - | - | - | - | - | - | 7,577 |
| Total Assets | \$ 178,523,819 | \$ 10,485,017 | \$ 18,118,113 | \$ 8,240,241 | \$ 106,232,793 | \$ 22,005,736 | \$ 207,576,190 | \$ 551,181,909 |
| Liabilities and Fund Balances | | | | | | | | |
| Liabilities: | | | | | | | | |
| Accounts Payable and Accrued Liabilities | \$ 53,928,053 | \$ 3,156,589 | \$ 3,037,588 | \$ - | \$ 1,821,041 | \$ 6,993,540 | \$ 19,711,215 | \$ 88,648,026 |
| Due to Other Funds | - | - | 15,493,137 | 2,912,694 | - | - | 11,582,835 | 29,988,666 |
| Due to Other Governments | 2,301,552 | - | - | - | - | - | 935,123 | 3,236,675 |
| Deferred Revenue or Unearned Revenues | 16,913,485 | 5,400,282 | 16,948,835 | - | 142,132 | 1,388,518 | 24,649,475 | 65,442,727 |
| Deposits | 4,930,585 | 80,438 | 183,745 | - | - | - | 264,211 | 5,458,979 |
| Total Liabilities | 78,073,675 | 8,637,309 | 35,663,305 | 2,912,694 | 1,963,173 | 8,382,058 | 57,142,859 | 192,775,073 |
| Fund Balances (Deficit): | | | | | | | | |
| Reserved for: | | | | | | | | |
| Encumbrances | 2,743,107 | 21,624 | 2,209,167 | - | 7,482,477 | 9,357,112 | 86,542,748 | 108,356,235 |
| Debt Service | - | - | - | - | - | - | 4,476,402 | 4,476,402 |
| Prepaid Items | 1,025,719 | - | - | - | - | - | 70,948 | 1,096,667 |
| Unreserved, Designated for | | | | | | | | |
| Subsequent Year's Expenditures, Reported in: | | | | | | | | |
| General Fund | 12,490,266 | - | - | - | - | - | - | 12,490,266 |
| Special Revenue Funds | - | - | - | - | - | - | 8,832,263 | 8,832,263 |
| Future Settlements | - | - | - | 4,027,253 | - | - | - | 4,027,253 |
| Strategic Initiatives | 1,648,710 | - | - | - | - | - | - | 1,648,710 |
| Management Initiatives | 41,912,000 | - | - | - | - | - | - | 41,912,000 |
| Unreserved, Undesignated Reported in: | | | | | | | | |
| General Fund | 40,630,342 | - | - | - | - | - | - | 40,630,342 |
| Special Revenue Funds | - | 1,826,084 | (19,754,359) | 1,300,294 | - | - | 24,623,247 | 7,995,266 |
| Capital Projects Funds | - | - | - | - | 96,787,143 | 4,266,566 | 22,444,574 | 123,498,283 |
| Debt Service Funds | - | - | - | - | - | - | 3,443,149 | 3,443,149 |
| Total Fund Balances (Deficit) | 100,450,144 | 1,847,708 | (17,545,192) | 5,327,547 | 104,269,620 | 13,623,678 | 150,433,331 | 358,406,836 |
| Total Liabilities and Fund Balances (Deficit) | \$ 178,523,819 | \$ 10,485,017 | \$ 18,118,113 | \$ 8,240,241 | \$ 106,232,793 | \$ 22,005,736 | \$ 207,576,190 | \$ 551,181,909 |

The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
September 30, 2007

Fund Balances - Total Governmental Funds (Page 15) \$ 358,406,836

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

| | | |
|--------------------------------|----------------------|-------------|
| Governmental Capital Assets | \$ 1,739,649,234 | |
| Less: Accumulated Depreciation | <u>(750,716,857)</u> | 988,932,377 |

Grant revenues are considered deferred revenue in the fund financial statements due to availability of funds; under full accrual accounting they are considered revenues. 41,100,972

Tax revenues are considered deferred revenue in the fund financial statements due to availability of funds; under full accrual accounting they are considered revenues. 9,142,289

Unamortized bond issuance costs are not available to pay for current period expenditures and therefore are not reported in the governmental funds. 8,952,655

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

| | | |
|--------------------------|--------------------|----------------------|
| Bonds and Loans Payable | (440,755,782) | |
| Capital Lease | (658,722) | |
| Compensated Absences | (76,471,796) | |
| Claims Liability | (141,603,838) | |
| Net Pension Obligation | (3,877,208) | |
| Accrued Interest Payable | <u>(4,005,057)</u> | <u>(667,372,403)</u> |

Net Assets of Governmental Activities (Page 13) \$ 739,162,726

The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Statement of Revenues, Expenditures and Changes In Fund Balances
Governmental Funds
For The Year Ended September 30, 2007

| | Major Funds | | | | | | Other Non-Major Governmental Funds | Total Governmental Funds |
|--|-----------------------|--------------------------|-------------------------|-------------------------------|-----------------------|-----------------------|---|--------------------------------|
| | General | Community Development | Fire Rescue Services | Communication Services Tax | General Government | Street & Sidewalks | | |
| Revenues | | | | | | | | |
| Property Taxes | \$ 258,756,957 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 35,494,195 | \$ 294,251,152 |
| Franchise and Other Taxes | 42,257,282 | - | - | 58,099,069 | - | - | - | 100,356,351 |
| Licenses and Permits | 32,830,368 | - | 17,687 | - | - | - | - | 32,848,055 |
| Fines and Forfeitures | 5,283,695 | - | - | - | - | - | 2,258,117 | 7,541,812 |
| Intergovernmental Revenues | 54,096,408 | 24,701,753 | 9,955,699 | - | 564,968 | 1,301,677 | 59,419,886 | 150,040,391 |
| Charges for Services | 77,174,155 | 28 | 2,830,610 | - | - | - | 9,584,361 | 89,589,154 |
| Interest | 16,248,307 | - | 11,333 | - | 2,245,274 | 1,109,711 | 4,222,825 | 23,837,450 |
| Impact Fees | - | - | - | - | 3,052,793 | 964,317 | - | 4,017,110 |
| Other | 3,448,782 | 2,301,510 | 185,926 | - | 194,899 | - | 3,238,693 | 9,369,810 |
| Total Revenues | 490,095,954 | 27,003,291 | 13,001,255 | 58,099,069 | 6,057,934 | 3,375,705 | 114,218,077 | 711,851,285 |
| Expenditures | | | | | | | | |
| Current Operating: | | | | | | | | |
| General Government | 61,208,626 | - | - | - | - | - | 10,654,219 | 71,862,845 |
| Planning and Development | 10,814,727 | - | - | - | - | - | 1,047,958 | 11,862,685 |
| Community Development | - | 29,885,603 | - | - | - | - | 5,439,894 | 35,325,497 |
| Community Redevelopment Areas | - | - | - | - | - | - | 5,314,468 | 5,314,468 |
| Public Works | 56,376,608 | - | - | - | - | - | 107,756 | 56,484,364 |
| Public Safety | 249,794,879 | - | 14,948,386 | - | - | - | 6,245,236 | 270,988,501 |
| Public Facilities | 7,419,797 | - | - | - | - | - | 6,036,148 | 13,455,945 |
| Parks and Recreation | 20,201,873 | - | - | - | - | - | 10,435,633 | 30,637,506 |
| Risk Management | 18,115,929 | - | - | - | - | - | - | 18,115,929 |
| Pensions | 70,708,285 | - | - | - | - | - | - | 70,708,285 |
| Group Benefits | 35,122,459 | - | - | - | - | - | - | 35,122,459 |
| Debt Service: | | | | | | | | |
| Principal | - | - | - | - | - | - | 20,887,276 | 20,887,276 |
| Interest and Other Charges | - | - | - | 780,000 | - | - | 23,566,064 | 24,346,064 |
| Debt Issuance Costs | - | - | - | - | - | - | 6,988,908 | 6,988,908 |
| Capital Outlay | - | - | - | - | 8,201,187 | 32,085,936 | 83,977,106 | 124,264,229 |
| Total Expenditures | 529,763,183 | 29,885,603 | 14,948,386 | 780,000 | 8,201,187 | 32,085,936 | 180,700,666 | 796,364,961 |
| Excess (Deficiency) of Revenues Over Expenditures | (39,667,229) | (2,882,312) | (1,947,131) | 57,319,069 | (2,143,253) | (28,710,231) | (66,482,589) | (84,513,676) |
| Other Financing Sources (Uses) | | | | | | | | |
| Transfers In | 61,411,040 | 753,496 | 199,350 | - | 76,124,090 | 29,013,841 | 110,504,617 | 278,006,434 |
| Transfers Out | (49,052,224) | (1,747,753) | (2,881,842) | (57,319,069) | (69,416,383) | (31,946,612) | (65,642,551) | (278,006,434) |
| Proceeds from Sale of Property | 1,502,044 | - | - | - | - | - | - | 1,502,044 |
| Proceeds Received From Refunding | - | - | - | - | - | - | 138,841,992 | 138,841,992 |
| Payment To Escrow Agent For Refunding | - | - | - | - | - | - | (131,775,000) | (131,775,000) |
| Proceeds Received For Long-Term Debt | - | - | - | - | 50,969,202 | - | - | 50,969,202 |
| Total Other Financing Sources (Uses) | 13,860,860 | (994,257) | (2,682,492) | (57,319,069) | 57,676,909 | (2,932,771) | 51,929,058 | 59,538,238 |
| Net Changes in Fund Balances | (25,806,369) | (3,876,569) | (4,629,623) | - | 55,533,656 | (31,643,002) | (14,553,531) | (24,975,438) |
| Fund Balances - Beginning, as restated | 126,256,513 | 5,724,277 | (12,915,569) | 5,327,547 | 48,735,964 | 45,266,680 | 164,986,862 | 383,382,274 |
| Fund Balances - Ending | \$ 100,450,144 | \$ 1,847,708 | \$ (17,545,192) | \$ 5,327,547 | \$ 104,269,620 | \$ 13,623,678 | \$ 150,433,331 | \$ 358,406,836 |

The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2007

| | | |
|---|----------------------|---------------------|
| Net Changes in Fund Balances - Total Governmental Funds (Page 17) | | \$ (24,975,438) |
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Grant revenues are considered deferred revenue in the fund financial statements due to availability of funds; under full accrual accounting they are considered revenues. | | 29,988,248 |
| Revenues in the statement of activities for the previous year provided current financial resources and, as such, were reported as revenues in the funds for the current year. | | (2,635,548) |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is depreciated over their estimated useful lives. | | |
| Expenditures for Capital Assets | \$ 142,176,246 | |
| Less: Current Year Depreciation | <u>(51,727,765)</u> | 90,448,481 |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations) that decrease net assets. | | (1,875,370) |
| The Statement of Revenues, Expenditures and Changes in Fund Balance reported the collection on the sale of property in the current year, which was reported as a receivable on the Statement of Net Assets in prior years. | | (2,100,000) |
| Impairment loss on capital assets | | (23,595,180) |
| Repayment of bond, loan and capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, where as these amounts are deferred and amortized in the Statement of Activities. | | |
| Amounts paid to escrow agent for refunding and principal paid on bonds and loans | 152,662,276 | |
| Principal Paid on Capital Lease | 640,219 | |
| Net effect of Deferring and Amortizing Issuance Costs, Premiums, Discounts, and Accretion | 3,324,243 | |
| Proceeds from Issuance of Bonds | <u>(189,811,194)</u> | (33,184,456) |
| Some items reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| Compensated Absences | (5,712,697) | |
| Claims Liability | (18,927,725) | |
| Net Pension Obligation | (294,193) | |
| Accrued Interest Payable | <u>269,734</u> | <u>(24,664,881)</u> |
| Change in Net Assets of Governmental Activities (Page 14) | | <u>\$ 7,405,856</u> |

The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2007

| | Employee Retirement Funds |
|---|--|
| | |
| Assets | |
| Cash and Short-Term Investments | \$ 58,615,357 |
| Accounts Receivable | 17,478,158 |
| Capital Assets | 5,040,323 |
| | 81,133,838 |
| | |
| Investments, at Fair Value | |
| U.S. Government Obligations | 283,828,440 |
| Corporate Bonds | 267,261,903 |
| Corporate Stocks | 1,360,758,527 |
| Money Market Funds and Commercial Paper | 26,944,893 |
| International Equity | 111,978,836 |
| Mutual Funds | 43,795,372 |
| Real Estate | 188,232,699 |
| Private Equity | 10,158,227 |
| Total Investments | 2,292,958,897 |
| | |
| Securities Lending Collateral | 230,426,969 |
| Total Assets | 2,604,519,704 |
| | |
| Liabilities | |
| Obligations Under Security Lending | 230,426,969 |
| Accounts Payable | 1,388,631 |
| Accrued Liabilities | 43,795,372 |
| Payable for Securities Purchased | 29,103,030 |
| Total Liabilities | 304,714,002 |
| | |
| Net Assets | |
| Held in Trust for Pension Benefits | \$ 2,299,805,702 |

The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended September 30, 2007

| | Employee Retirement Funds |
|---------------------------------------|--|
| Additions | |
| Contributions: | |
| Employer | \$ 65,590,761 |
| Plan Members | 23,587,159 |
| Total Contributions | 89,177,920 |
| Investment Earnings: | |
| Net Increase in Fair | |
| Value of Investments | 245,746,085 |
| Interest | 32,974,949 |
| Dividends | 19,124,509 |
| Other Income, net | 2,159,156 |
| Total Investment Earnings | 300,004,699 |
| Less Investment Expenses | 8,638,011 |
| Net Investment Earnings | 291,366,688 |
| Reimbursement Income from City | 2,524,355 |
| Total Additions | 383,068,963 |
| Deductions | |
| Pension Benefits | 123,061,185 |
| Refunds upon Resignation, Death, etc. | 2,006,324 |
| Distribution to Retirees | 13,304,749 |
| Administrative and Other Expenses | 2,595,726 |
| Total Deductions | 140,967,984 |
| Change in Net Assets | 242,100,979 |
| Net Assets - Beginning of Year | 2,057,704,723 |
| Net Assets - End of Year | \$ 2,299,805,702 |

The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Statement of Net Assets
Discretely Presented Component Units
September 30, 2007

| | Miami Sports and Exhibition Authority | Department of Off-Street Parking | Downtown Development Authority | Bayfront Park | Civilian Investigative Panel | Total |
|---|--|---|---|--------------------------|---|----------------------|
| Assets | | | | | | |
| Cash, Cash Equivalents and Investments | \$ 11,300,317 | \$ 8,109,365 | \$ 4,404,990 | \$ 4,805,509 | \$ 72,317 | \$ 28,692,498 |
| Receivables (Net) | | | | | | |
| Accounts | - | 769,212 | - | 122,847 | - | 892,059 |
| Taxes | - | - | 42,341 | - | - | 42,341 |
| Accrued Interest | - | 46,364 | - | - | - | 46,364 |
| Due From Other Government | - | 327,012 | - | - | - | 327,012 |
| Prepays | 9,500 | 180,993 | 51,201 | 17,309 | - | 259,003 |
| Other Assets | - | 1,593,019 | - | - | - | 1,593,019 |
| Restricted Assets: | | | | | | |
| Cash, Cash Equivalents and Investments | - | 32,933,743 | - | 167,500 | - | 33,101,243 |
| Capital Assets: | | | | | | |
| Non-Depreciable | - | 17,945,208 | - | 866,672 | - | 18,811,880 |
| Depreciable, Net | - | 21,778,569 | 244,482 | 3,436,312 | - | 25,459,363 |
| Total Assets | 11,309,817 | 83,683,485 | 4,743,014 | 9,416,149 | 72,317 | 109,224,782 |
| Liabilities | | | | | | |
| Accounts Payable and Accrued Liabilities | - | 3,020,514 | 60,754 | 67,753 | 46,713 | 3,195,734 |
| Due to Other Governments | - | 650,958 | 31,745 | - | - | 682,703 |
| Unearned Revenue | - | 649,484 | - | 28,858 | - | 678,342 |
| Deposits | - | 146,373 | - | 183,249 | - | 329,622 |
| Accrued Interest Payable | - | 995,119 | - | - | - | 995,119 |
| Non-Current Liabilities | | | | | | |
| Due Within One Year: | | | | | | |
| Bonds and Loans Payable | - | 920,000 | - | - | - | 920,000 |
| Compensated Absences | - | 352,000 | 154,187 | - | - | 506,187 |
| Due In More Than One Year: | | | | | | |
| Bonds and Loans Payable | - | 50,832,291 | - | - | - | 50,832,291 |
| Compensated Absences | - | 297,675 | 39,128 | - | 25,604 | 362,407 |
| Total Liabilities | - | 57,864,414 | 285,814 | 279,860 | 72,317 | 58,502,405 |
| Net Assets | | | | | | |
| Invested in Capital Assets, Net of Related Debt | - | 21,259,598 | 244,482 | 4,302,984 | - | 25,807,064 |
| Restricted for: | | | | | | |
| Debt Service | - | 300,891 | - | - | - | 300,891 |
| Unrestricted | 11,309,817 | 4,258,582 | 4,212,718 | 4,833,305 | - | 24,614,422 |
| Total Net Assets | \$ 11,309,817 | \$ 25,819,071 | \$ 4,457,200 | \$ 9,136,289 | \$ - | \$ 50,722,377 |

The accompanying notes are an integral part of the financial statements.

City of Miami, Florida
Statement of Activities
Discretely Presented Component Units
For the Year Ended September 30, 2007

| | <u>Expenses</u> | <u>Program Revenues</u> | | |
|--|----------------------|-----------------------------|---|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Miami Sports | | | | |
| Exhibition Authority | | | | |
| Culture and Recreation | \$ 8,808,581 | \$ 35,318 | \$ - | \$ - |
| Total Miami Sports Exhibition Authority | <u>8,808,581</u> | <u>35,318</u> | <u>-</u> | <u>-</u> |
| Department of Off-Street Parking | | | | |
| Transportation | 21,728,005 | 20,788,522 | - | - |
| Total Department of Off-Street Parking | <u>21,728,005</u> | <u>20,788,522</u> | <u>-</u> | <u>-</u> |
| Downtown | | | | |
| Development Authority | | | | |
| Economic Development | 3,590,473 | - | - | 90,000 |
| Total Downtown Development Authority | <u>3,590,473</u> | <u>-</u> | <u>-</u> | <u>90,000</u> |
| Bayfront Park | | | | |
| Parks and Recreation | 4,204,138 | 3,071,878 | 1,085,000 | - |
| Total Bayfront Park | <u>4,204,138</u> | <u>3,071,878</u> | <u>1,085,000</u> | <u>-</u> |
| Civilian Investigative Panel | | | | |
| General Government | 985,221 | - | 985,221 | - |
| Total Civilian Investigative Panel | <u>985,221</u> | <u>-</u> | <u>985,221</u> | <u>-</u> |
| Total Component Units | <u>\$ 39,316,418</u> | <u>\$ 23,895,718</u> | <u>\$ 2,070,221</u> | <u>\$ 90,000</u> |

General Revenues:

Taxes:
 Property Taxes, levied for general purposes
Investment Earnings
Other
 Total General Revenues
Change in Net Assets
Net assets - Beginning
Net assets - Ending

The accompanying notes are an integral part of the financial statements.

**Net (Expense) Revenue and
Changes in Net Assets**

| Miami Sports and Exhibition Authority | Department of Off-Street Parking | Downtown Development Authority | Bayfront Park | Civilian Investigative Panel | Totals |
|--|---|---|--------------------------|---|----------------|
| \$ (8,773,263) | \$ - | \$ - | \$ - | \$ - | \$ (8,773,263) |
| (8,773,263) | - | - | - | - | (8,773,263) |
| - | (939,483) | - | - | - | (939,483) |
| - | (939,483) | - | - | - | (939,483) |
| - | - | (3,500,473) | - | - | (3,500,473) |
| - | - | (3,500,473) | - | - | (3,500,473) |
| - | - | - | (47,260) | - | (47,260) |
| - | - | - | (47,260) | - | (47,260) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| (8,773,263) | (939,483) | (3,500,473) | (47,260) | - | (13,260,479) |
| - | - | 4,008,323 | - | - | 4,008,323 |
| 922,891 | 1,976,105 | 81,102 | 273,277 | - | 3,253,375 |
| 2,486 | 29,404 | 21,280 | 349,626 | - | 402,796 |
| 925,377 | 2,005,509 | 4,110,705 | 622,903 | - | 7,664,494 |
| (7,847,886) | 1,066,026 | 610,232 | 575,643 | - | (5,595,985) |
| 19,157,703 | 24,753,045 | 3,846,968 | 8,560,646 | - | 56,318,362 |
| \$ 11,309,817 | \$ 25,819,071 | \$ 4,457,200 | \$ 9,136,289 | \$ - | \$ 50,722,377 |

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CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

NOTE 1. – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the City of Miami, Florida (the City) have been prepared in accordance with accounting standards generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The more significant of these accounting policies are described below.

A. Reporting Entity

The City, which is located in the county of Miami-Dade, was incorporated in 1896, and has a population of over 362,000. The City is situated at the mouth of the Miami River on the western shores of Biscayne Bay and is a main port of entry into Florida and is the county seat of Miami-Dade County, Florida. The City comprises 34.3 square miles of land and 19.5 square miles of water.

The City’s Charter was adopted by the electors of the City of Miami at an election held on May 17, 1921 and was legalized and validated by Chapter 9024 of the laws of the State of Florida of 1921. During fiscal year 1997, the residents of the City voted on a referendum that created single-member districts and an Executive Mayor form of government. The City continues to operate under the Commission/City Manager form of government and provides the following services: police and fire protection, public works activities, solid waste collection, parks and recreational facilities, planning and development, community development, financial services, and general administrative services.

The Florida Legislature, in 1955, approved and submitted to a general election, a constitutional amendment designed to give a new form of government to Miami-Dade County, Florida (the “County”). The County is, in effect, a municipality with governmental powers affecting thirty cities and unincorporated areas, including the City. The County has not displaced nor replaced the City’s powers, but supplements them. The County can take over particular activities of the City’s operations if (1) the services fall below minimum standards set by the County Commission or (2) with the consent of the governing body of the City. Accordingly, the County’s financial statements are not included in this report.

The accompanying financial statements include those of the City (the primary government) and those of its component units. Component units are legally separate organizations for which the primary government is financially accountable or organizations which should be included in the City’s financial statements because of the nature and significance of their relationship with the primary government.

The decision to include a potential component unit in the City’s reporting entity is based on the criteria stated in GASB Statement No. 14 - *The Financial Reporting Entity* and GASB Statement No. 39 - *Determining Whether Certain Organizations Are Component Units* which includes the ability to appoint a voting majority of an organization’s governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the City.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Based upon the application of the criteria in GASB Statements No. 14 and 39, the financial statements of the component units listed on the following pages have been included in the City's reporting entity as either blended or discretely presented component units.

Blended component units, although legally separate entities, are in substance part of the City's operations. Accordingly, data from these component units are included with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the financial statements to emphasize that they are legally separate from the City. The financial activities and balances for each blended and discretely presented component unit are as of and for the year ended September 30, 2007.

Blended Component Units

SOUTHEAST OVERTOWN PARK WEST REDEVELOPMENT AGENCY ("SEOPW")-SEOPW is an Agency established by the City in 1983 under the authority of Section 163.330, Florida Statutes and City Resolution No. 82-755. The purpose of the Agency is to eliminate blight and slum conditions within the redevelopment area of the agency pursuant to the redevelopment plans of the Agency for new residential and commercial activity of the Southeast Overtown Park West area. The City has entered into an interlocal agreement with Miami-Dade County approving the deposit of tax increments into the Redevelopment Trust Fund. The members of the City Commission are also the Board of Directors of the SEOPW. The City has issued debt for the SEOPW and is responsible under the interlocal agreement for disbursement, accountability, management and proper application of all monies paid into the Trust. The funds of the SEOPW included within the reporting entity are special revenue fund (SEOPW CRA), a debt service fund (CRA - Other Special Obligation), and a capital projects fund (Community Redevelopment Agency).

OMNI REDEVELOPMENT AGENCY ("ORA")-ORA is an Agency established by the City in 1986 under the authority of Section 163.330, Florida Statutes and City Resolution No. 86-868. The purpose of the Agency is to eliminate blight and slum conditions within the redevelopment area of the agency pursuant to the redevelopment plans of the Agency for new residential and commercial activity of the Omni area. The City has entered into an interlocal agreement with Miami-Dade County approving the deposit of tax increments into the Redevelopment Trust Fund. The members of the City Commission are the Board of Directors of the ORA. The City is also responsible under the interlocal agreement for disbursement, accountability, management, and proper application of all monies paid into the Trust. The ORA is included within the reporting entity as a special revenue fund (Omni CRA).

MIDTOWN REDEVELOPMENT AGENCY ("MRA")-MRA is an Agency established by the City in 2005 under the provisions of Section 163.330, Florida Statutes and City Resolution No. 05-002. The purpose of the Agency is to eliminate blight and slum conditions within the redevelopment area of the agency pursuant to the redevelopment plans of the Agency for new residential and commercial activity of the Midtown area. The MRA entered into an interlocal agreement with the City, Miami-Dade County and the Midtown Community Development District whereby tax increments would be deposited into the Redevelopment Trust Fund. The members of the City Commission are the Board of Directors of the MRA. The City is also responsible under the interlocal agreement for disbursement, accountability, management, and proper application of all monies paid into the Trust. The MRA is included within the reporting entity as a special revenue fund (Midtown CRA).

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

VIRGINIA KEY BEACH PARK TRUST (“VKBPT”) – On December 14, 2000 (and effective January 2001), via sections 38-230 through 38-242 of Chapter 38 of the Code of the City of Miami Ordinance 12003, the VKBPT was established and acts as a limited agency and instrumentality of the City of Miami. Its general purposes, in cooperation with City of Miami, are to preserve, restore, and maintain the Historic Virginia Key Beach Park in a manner consistent with environmental health, historical importance of the Park and the aspirations of the African American Community, make it accessible to the general public, propose policy, planning, and design to ensure maximum community utilization and enjoyment. The City Commission must approve VKBPT’s board membership and operating budget. The City considers itself the exclusive recipient of the services provided by VKBPT and therefore its operations are blended in the reporting entity as a special revenue fund.

LIBERTY CITY COMMUNITY REVITALIZATION DISTRICT TRUST (“Liberty City”) – On July 10, 2001, via section 2-892 of Chapter 2 of the Code of the City of Miami ordinance 12082, Liberty City was established and acts as a limited agency and instrumentality of the City and provides services entirely or almost entirely to the primary government. Liberty City, in cooperation with the Department of Community Development and other City departments, is responsible for oversight and facilitating the City’s revitalization efforts for the redevelopment of the Liberty City Community Revitalization District in a manner consistent with the strategy identified in the Five-Year Consolidated Plan, adopted by the City Commission in August, 1999. Liberty City’s specific purpose is to purchase land and renovate capital assets that belong to the City of Miami. The City Commission must approve Liberty City’s board membership and operating budget. The City considers itself the exclusive recipient of the services provided by Liberty City and therefore its operations are blended in the reporting entity as a special revenue fund.

NEIGHBORHOOD IMPROVEMENT DISTRICTS – There are four neighborhood improvement districts. All four districts were inactive during fiscal year 2007.

Discretely Presented Component Units

MIAMI SPORTS AND EXHIBITION AUTHORITY (“MSEA”) – The MSEA was created by the City in 1983 pursuant to Chapter 212.0305, Florida Statutes and City Ordinance No. 9662 adopted by the City Commission (as amended by City Ordinance No. 11155) and Section 213.0305 of the Florida Statutes to promote the development of sports, convention and exhibition facilities within the City, and attracting professional sports franchises and exhibitions to utilize the City’s and/or Authorities’ facilities. The City Commission must approve MSEA’s board membership and operating budget. Therefore, the City is financially accountable and is discretely presenting the MSEA in the accompanying financial statements.

DEPARTMENT OF OFF-STREET PARKING OF THE CITY OF MIAMI, FLORIDA, d/b/a MIAMI PARKING AUTHORITY (“DOSP”) – The DOSP was originally created in 1955 by a special act of the Florida State Legislature (Laws of Florida Chapter 30.997, as amended) and subsequently incorporated into the City's Charter in 1968. The DOSP is an agency and instrumentality of the City which owns and operates parking facilities within the City. The City Commission has reserved the right to confirm new members of the DOSP Board, to establish and fix rates and charges for parking services, to approve the DOSP’s operating budget and to authorize the issuance of revenue bonds. Therefore, the City is financially accountable and is discretely presenting the DOSP in the accompanying financial statements.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

DOWNTOWN DEVELOPMENT AUTHORITY (“DDA”) – The DDA was created by the City in 1965 pursuant to Chapter 65-1090 of the General Laws of Florida and City Code Section 14-25. The DDA is governed by a board appointed by the City Commission and was established for the purpose of furthering the development of the Downtown Miami area by promoting economic growth in the region and strengthening downtown’s appeal as a livable city as well as a regional, national and international center for commerce and culture. The City Commission must approve the DDA's operating budget and the millage levied on the special taxing district established to fund the DDA. Therefore, the City is financially accountable and is discretely presenting the DDA in the accompanying financial statements.

BAYFRONT PARK MANAGEMENT TRUST (“BFP”) –The BFP was established by the City in 1987 under the authority of City of Miami Resolution No. 10348. The BFP was created for the purpose of managing and operating the events held at Bayfront and Bicentennial Park and the daily maintenance and upkeep of the grounds, its various amenities including the amphitheater and the Mildred and Claude Pepper Fountain. The governing body of the BFP consists of nine appointed members serving initial terms of one to three years. Upon expiration of an initial term, each successor member may be appointed by the City Commission for terms of one to three years. The BFP has appointed an executive director to act as the chief executive officer, subject to policy directives. The BFP prepares and submits an annual budget request and master plan to the City Commission for its approval for each fiscal year. Therefore, the City is financially accountable and is discretely presenting the BFP in the accompanying financial statements.

HEALTH FACILITY AUTHORITY (“HFA”) – The HFA is an agency established by the City in 1979 under the authority of Chapter 154, Florida Statutes and City Resolution No. 79-93 to serve as a conduit to issue revenue bonds. The City Commission must approve the HFA’s board membership and operating budget. Therefore, the City is financially accountable and is discretely presenting the HFA in the accompanying financial statements. Debt obligations issued under the purview of the HFA do not constitute an indebtedness, liability or pledge of the faith or credit of the HFA or the City. The aggregate amount of conduit debt obligations totaled \$127,120,000 at September 30, 2007. The HFA does not issue stand-alone audited financial statements. The only activity during the fiscal year was to service the debt outstanding. The debt service payments were made by Mercy Hospital and Miami Jewish Home.

The City of Miami Health Facilities Authority conduit debt outstanding as of September 30, 2007 is as follows:

| | <u>Mercy Hospital</u> | <u>Miami Jewish Home</u> | <u>Total</u> |
|--------------|-----------------------|--------------------------|-----------------------|
| Series 1998A | \$ 14,925,000 | \$ - | \$ 14,925,000 |
| Series 2002 | 35,000,000 | - | 35,000,000 |
| Series 2003 | 15,215,000 | - | 15,215,000 |
| Series 2006 | 37,600,000 | - | 37,600,000 |
| Series 2005 | - | 24,380,000 | 24,380,000 |
| Total | <u>\$ 102,740,000</u> | <u>\$ 24,380,000</u> | <u>\$ 127,120,000</u> |

Proceeds from these bond issues were used to finance construction of buildings and parking facilities; land acquisitions; equipment purchases including beds and other medical apparatus; renovation of existing facilities; and engineering costs.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

CIVILIAN INVESTIGATIVE PANEL (“CIP”) – The CIP was established by the City of Miami Commission Ordinance Number 12188 on February 14, 2002 for the purpose of creating an independent citizen’s oversight panel to conduct investigations related to allegations of police misconduct, review polices, practices and procedures of the police department and perform community outreach programs. The CIP consists of thirteen members who were originally appointed as follows: a) the Miami City Commission selects and appoints nine members, b) the Mayor selects three members whose names are ratified and appointed by the City Commission, and c) the Chief of Police of the City of Miami appoints one member, who serves at the will of the Chief of Police. The CIP prepares and submits an annual budget request to the City Commission for its approval for each fiscal year and is funded by the City of Miami. Therefore, the City is financially accountable and is discretely presenting the CIP in the accompanying financial statements.

Complete financial information of the individual component units may be obtained at the entity's respective administrative offices as follows:

| | | |
|--|---|---|
| SEOPW / ORA/ MRA 49 NW 5 th Street, Suite 100 Miami, Florida 33128-1811 | MSEA 301 N. Biscayne Blvd. Miami, Florida 33132-2226 | BFP 301 N. Biscayne Blvd. Miami, Florida 33132-2226 |
| VKBPT 4020 Virginia Beach Drive Miami, Florida 33149 | DDA 200 South Biscayne Blvd. Suite 2929 Miami, Florida 33131 | CIP 155 South Miami Ave Penthouse 1-B Miami, FL 33130-1609 |
| Liberty City 4800 NW 12 th Avenue Miami, Florida 33127-2218 | DOSP 90 SW 1 st Street Miami, Florida 33130-1602 | |

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the City and its component units. The primary government is reported separately from the legally separate component units. The Statement of Net Assets presents the financial position of the City and its component units at the end of its fiscal year. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, and other items that are not deemed to be program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining non-major governmental funds are aggregated and reported as other non-major governmental funds.

C. Fund Financial Statements

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, liabilities, fund balances/net assets, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and it is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, aggregated, and presented in a single column. The City maintains fiduciary funds which are used to account for assets held by the City in a trustee capacity. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the statements or on the page following, which briefly explains the adjustments necessary to transform the fund-based financial statements into the governmental activities column of the government-wide presentation. The City reports the following major governmental funds.

General Fund – The General Fund is the general operating fund of the City. General tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges, and capital improvement costs not paid through other funds are paid from this fund.

Community Development Fund – This Special Revenue Fund accounts for the proceeds from the Federal government under the U. S. Department of Housing and Urban Development.

Fire Rescue Services – This Special Revenue Fund accounts for the proceeds of an excise tax that is restricted to expenditures which supplement the City's emergency Fire Rescue operations. Additionally, this fund accounts for grants and FEMA reimbursements related to disasters.

Communication Services Tax Fund – This Special Revenue Fund accounts for the utility service tax levied on purchases of public services.

General Government Fund – This Capital Projects Fund accounts for capital expenditures made for general government operations.

Streets and Sidewalks – This Capital Projects Fund accounts for capital expenditures made for streets, sidewalks, and other traffic-related projects.

Additionally, the City reports the following fiduciary fund type:

Pension Trust Funds - The pension trust funds account for the City of Miami Fire Fighters' and Police Officers' Retirement Trust ("FIPO"), the City of Miami General Employees' and Sanitation Employees' Retirement Trust ("GESE") and Other Managed Trusts (Members, Excess Plan and Staff Plan), and the Elected Officers' Retirement Trust ("EORT"). The pension trust funds accumulate resources for pension benefit payments.

D. Measurement Focus and the Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims are recorded only when payment is due.

Property taxes, when levied for, intergovernmental revenue, when eligibility requirements are met, sales tax, franchise and utility taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable only when cash is received by the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities, and Net Assets or Equity

Deposits and Investments

The City has defined “cash, cash equivalents and investments” to include cash on hand, demand deposits, money market funds, debt securities and cash with fiscal agents. Each fund’s equity in the City’s investment pool is considered to be a cash equivalent since the funds can be deposited or effectively withdrawn at any time without prior notice or penalty. In addition, the City considers all highly liquid investments with a maturity of three months or less when purchased, to be a cash equivalent.

All investments, including those of the Pension Trust Funds, are stated at fair value, using quoted market price or the best available estimate thereof. Investments that have a maturity of one year or less at the time of purchase are reported at amortized cost.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as “due to/from other funds”.

Receivables

Receivables include amounts due from other governments and others for services provided by the City and are recorded when the related revenue is earned. Allowances for uncollectible receivables are based upon historical trends and the periodic aging of receivables. The City fully reserves for all receivables greater than 60 days with the exception of grant receivables.

Prepays

Prepaid items consist of certain costs which have been paid prior to the end of the fiscal year, but represent items which are applicable to future accounting periods. Reported amounts in governmental funds are equally offset by a reservation of fund balance, in the fund financial statements, which indicates that these amounts do not constitute “available spendable resources” even though they are a component of current assets.

Inventory

There are no inventory values presented in the governmental funds or government-wide financial statements of the City. Purchases of inventoriable items are recorded as expenditures/expense at the time of purchase and year-end balances are not material.

Restricted Assets

Certain proceeds from bonds, loans and deposits, as well as resources for debt service payments, are classified as restricted assets because their use is limited by applicable bond indentures, contracts, and agreements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure (e.g. roads, sidewalks, drainage, and similar items), are reported in the governmental activities column in the government-wide financial statements and fiduciary fund financial statements. Capital assets are defined by the City as assets with an initial cost of \$1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date of the donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Property, plant, equipment, and infrastructure of the City, and its component units, are depreciated using the straight-line method over the following estimated useful lives:

| <u>Asset</u> | <u>Years</u> |
|--------------------------------------|--------------|
| Buildings | 20 - 50 |
| Improvements other than buildings | 10 - 30 |
| Machinery and equipment | 3 - 15 |
| Vehicles (including heavy equipment) | 3 - 10 |
| Infrastructure | 15 - 50 |

Deferred Charges

Deferred charges in the government-wide financial statements represent the unamortized portion of the cost incurred for the issuance of long-term debt and the difference between the reacquisition price and the net carrying amount of the old debt, relating to current and advance refunding resulting in the defeasance of debt. These costs are being amortized over the term of the respective bond issue or the shorter of the amortization period remaining from the prior refunding or the life of the latest refunding debt. The costs are amortized using the effective interest method. For governmental funds, these costs are considered to be period costs.

Compensated Absences

It is the City’s policy to permit employees to accumulate earned but unused vacation and sick leave, which will be paid upon separation from service. The City accrues a liability for compensated absences as well as certain other salary related costs associated with the payment of compensated absences. The liability for such accumulated leave is reflected in the government-wide financial statements as current and long-term liabilities. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability for compensated absences includes salary-related payments, where applicable.

Unearned/Deferred Revenues

Resources that do not meet revenue recognition requirements (not earned) are recorded as unearned revenue in the governmental wide and fund financial statements. In addition, amounts related to government fund receivables that are measurable, but not available, are recorded as deferred revenue in the governmental fund financial statements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, and debt principal payments are reported as debt service expenditures.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Net Assets

Equity in the government-wide statement of net assets is displayed in three categories: 1) invested in capital assets, net of related debt, 2) restricted, 3) unrestricted. Net assets invested in capital assets net of related debt consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets, excluding unexpended proceeds. Net assets are reported as restricted when there are legal limitations imposed on their use by City legislation or external restrictions by other governments, creditors, or grantors. Unrestricted net assets consist of all net assets that do not meet the definition of either of the other two components.

The government-wide statement of net assets reports \$102,602,464 of restricted net assets, of which \$40,013,632 is restricted by enabling legislation.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of unreserved fund balance in governmental funds indicate the utilization of these resources in the ensuing year's budget or tentative plans for future use. The following is a description of the reserves and designations used by the City.

Reserve for encumbrances – This amount is equal to the outstanding purchase orders for goods and services at year-end. The subsequent year's appropriations will be amended to provide the authority to complete the transactions.

Reserve for debt service – This is the amount of fund equity in the Debt Service Funds, which is set aside for the repayment of outstanding debt.

Reserve for prepaid items – This reserve is provided to account for payments made in advance. This reserve indicates the funds are not "available" for appropriation or expenditure even though they are a component of current assets.

Designated for subsequent year's expenditures – These are amounts that are to be appropriated in the ensuing year's budget.

Designated for future settlements – These are amounts that are to be appropriated in future years for lawsuits and claims that management has determined are probable and the amount of that loss can be reasonably estimated.

Designated for strategic initiatives – These are amounts that are to be appropriated in future years for those projects that either enhance revenue producing activities or reduce future expenditures.

Designated for management initiatives – These are amounts that are to be appropriated in future years for those specific projects that management has approved and has set aside monies to pay for these items in accordance with the City's Financial Integrity Ordinance.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from estimates.

Excess of Expenditures over Appropriations

The expenditures of the Police Department in the General Fund exceeded its budgetary authorizations by \$1,354,376.

In addition, the Homeless Program and the Gusman and Olympia Special Revenue Funds exceeded their budgetary authorizations by \$22,874 and \$756,765, respectively.

Fund Deficits

The following funds had undesignated deficits in the amounts indicated as of September 30, 2007:

| <u>Fund</u> | <u>Deficit</u> |
|----------------------------|----------------|
| Special Revenue: | |
| Fire Services | \$ 17,545,192 |
| Homeless | 468,501 |
| Gusman and Olympia | 136,234 |
| Transportation and Transit | 6,927 |
| Capital Projects: | |
| Parks and Recreation | 1,377,005 |

These undesignated deficits are the result of encumbrances, other reserves exceeding available fund balances or the deferral of revenue recognition. The City plans to eliminate these deficits in the ensuing fiscal year.

NOTE 2. – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Restatement - Prior Period Adjustment

Fund balance for the Fire Rescue Services Fund has been restated at September 30, 2006 to correct an error for the recognition of revenue related to the recording of hurricane related expenditures. Based on the Presidential declaration, which defined areas within the City limits to be within the defined disaster area, the City recognized revenue relative to qualifying expenditures. However, such amounts did not meet the availability criterion for revenue recognition in the Fire Rescue Services Fund. The impact of this restatement is a reduction of \$14.4 million in fund balance in the Fire Rescue Services Fund at September 30, 2006.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

The effect of this restatement on fund balance in the fund financial statement is as follows:

| | <u>Fire Rescue Fund</u> |
|---------------------------------|-------------------------------|
| As of September 30, 2006: | |
| Balance as previously reported: | \$ 1,481,053 |
| Adjustment: | |
| Hurricane related revenues | <u>(14,396,622)</u> |
| Fund balance (deficit) restated | <u><u>\$ (12,915,569)</u></u> |

The effect of this restatement on net changes in fund balance for the fiscal year ended September 30, 2006 is as follows:

| | <u>Fire Rescue Fund</u> |
|--|-------------------------------|
| As of September 30, 2006: | |
| Net change in fund balance, as previously reported | \$ 806,092 |
| Adjustment: | |
| Correction of revenue recognized | <u>(14,396,622)</u> |
| Net change in fund balance restated | <u><u>\$ (13,590,530)</u></u> |

NOTE 3. – DEPOSITS AND INVESTMENTS

Deposits

The City excluding the Pension Trust Funds, maintains a cash management pool for its cash, cash equivalents and investments in which each fund and/or account or sub-account of a fund participates on a dollar equivalent and daily transaction basis. Interest income (which includes unrealized gains and losses) is distributed monthly based on a monthly average balance. The use of zero balance accounts with daily sweeps allows for the City’s portfolio to be fully invested at all times.

Custodial Credit Risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. In addition to insurance provided by the Federal Deposit Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of Florida to hold public funds. The City’s adopted policy is governed by Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, which requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

Investments

Custodial credit risk for an investment is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City’s investment policy requires that securities be registered in the name of the City. All safekeeping receipts for investment instruments are held in accounts in the City’s name and all securities are registered in the City’s name. As required by Florida Statutes, the City has adopted a written investment policy, which may, from time to time, be amended by the City Commission. The City Code authorizes the Director of Finance to purchase and invest idle funds prudently in U. S.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Treasuries and obligations of agencies of the United States, provided such are guaranteed by the United States or by the issuing agency; general obligations of states, municipalities, school districts, or other political subdivisions, revenue and excise tax bonds of the various municipalities of the State of Florida, provided none of such securities has been in default within five years prior to date of purchase, negotiable certificates of deposit, bankers acceptance drafts, money market investments, the State Board of Administration Investment Pool, and prime commercial paper.

The State Board of Administration is part of the Local Government Surplus Funds Trust Fund and is governed by Ch. 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Local Government Surplus Funds Trust Fund. Additionally, the State of Florida Office of the Auditor General performs the operational audit of the activities and investments of the State Board of Administration. The fair value of the position in the external investment pool is the same as the value of the pool shares. The Local Government Surplus Funds Trust Fund is not a registrant with the Securities and Exchange Commission, however, the board has adopted operating procedures consistent with the requirements for a 2a-7 fund. These investments are valued using the pooled share price.

At September 30, 2007, the investments of the primary government, exclusive of the Pension Trust Funds, consisted of the following:

| <u>Investment Type</u> | <u>Fair Value</u> |
|--|-----------------------|
| United States Treasury Notes | \$ 9,974,200 |
| Federal National Mortgage Association | 95,786,856 |
| Federal Home Loan Mortgage Corporation | 83,977,691 |
| Federal Farm Credit Bank | 47,211,490 |
| Federal Home Loan Bank | 89,890,345 |
| Commercial Paper | 91,965,100 |
| Money Market Fund | 13,887,029 |
| Total Investments | <u>432,692,711</u> |
| Checks Outstanding | <u>(7,359,387)</u> |
| Total Cash, Cash Equivalents and Investments | <u>\$ 425,333,324</u> |

Interest Rate Risk - Interest rate risk is the risk that as market rates change, the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rate. The City’s policy limits the maturity of an investment to a maximum of 5 years. As of September 30, 2007, the City of Miami had the following investments with the respective weighted average maturity in years. The respective weighted average maturities were based on the securities call date, not the maturity date.

| <u>Investment Type</u> | <u>Weighted Average Maturity in Years</u> |
|--|---|
| United States Treasury Notes | 0.67 |
| Federal National Mortgage Association | 0.93 |
| Federal Home Loan Mortgage Corporation | 0.29 |
| Federal Farm Credit Bank | 0.43 |
| Federal Home Loan Bank | 0.40 |
| Commercial Paper | 0.08 |
| Money Market | Less than 1 year |

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Credit Risk - The City’s investment policy (the Policy), minimizes credit risk by restricting authorized investments to the highest ratings of at least one of the nationally recognized statistical rating organizations (NRSROs). Investments in the State Board of Administration and the Local Government Surplus Funds Trust Fund do not have a rating from NRSRO. Commercial paper and bankers acceptances must have the highest letter and numerical rating as provided for by at least one NRSRO. The credit ratings below were consistent among the three major rating agencies (Moody’s, Standard and Poor’s, and Fitch).

The table below summarizes the investments by credit rating at September 30, 2007:

| <u>Investment Type</u> | <u>Standards & Poors Credit Rating</u> |
|--|--|
| Federal National Mortgage Association | AAA |
| Federal Home Loan Mortgage Corporation | AAA |
| Federal Farm Credit Bank | AAA |
| Federal Home Loan Bank | AAA |
| Commercial Paper | A1/P1/F1 |

Concentration of Credit Risk – The City’s policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The policy provides that a maximum of 20% of the portfolio may be invested in SEC registered money market funds with no more than 10% to any single money market fund. A maximum of 100% of available funds may be invested in the Local Governments Surplus Funds Trust Fund. A maximum of 100% of the total portfolio may be invested in U.S. Government securities and federal instrumentalities, with a limit of 25% invested in any one issuer of federal instrumentalities. A maximum of 35% of the portfolio may be invested in prime commercial paper with a maximum of 10% with any one issuer. A maximum of 10% of the portfolio may be invested in banker’s acceptances with a maximum of 5% with any one issuer.

As of September 30, 2007, the following issuers held 5% or more of the investment portfolio:

| <u>Issuer</u> | <u>Percentage</u> |
|---------------------------------------|-------------------|
| Federal Farm Credit Bank | 11% |
| Federal Home Loan Bank | 21% |
| Federal Home Loan Mortgage Corp. | 20% |
| Federal National Mortgage Association | 23% |

The above excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds and external investments pools.

City of Miami Firefighters and Police Officers Retirement Trust (FIPO)

FIPO’s investment policy is determined by its Board of Trustees and is implemented by investment managers. The policy has been identified by the Board as having the greatest expected investment return, and the resulting positive impact on asset values, funded status and benefits, without exceeding a prudent level of risk. The Trustees are authorized to acquire and retain property, real, personal or mixed and investments specifically including, bonds, debentures and other corporate obligations, and stocks, preferred or common.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Interest Rate Risk - Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the Plan’s Investment Policy limits the maturities and diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer to control this risk. Information about the sensitivity of fair values of the Plan’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan’s investments by maturity at September 30, 2007:

| | <u>U.S. Treasuries</u> | <u>U.S. Agencies</u> | <u>Corporate Bonds</u> | <u>Total</u> |
|------------------------|----------------------------|--------------------------|----------------------------|--------------|
| Fair Value (\$000) | \$ 133,754 | \$ 80,173 | \$ 196,610 | \$ 410,537 |
| Investment Maturities: | | | | |
| Less than 1 year | 220 | 1,002 | 2,321 | 3,543 |
| 1 to 5 years | 2,042 | 24,877 | 62,049 | 88,968 |
| 6 to 10 years | 11,746 | 37,033 | 64,634 | 113,413 |
| More than 10 years | 119,746 | 17,261 | 67,606 | 204,613 |

Credit Risk - Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. This risk is generally measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan’s investment policy utilizes portfolio diversification in order to control this risk.

The following table discloses credit ratings by investment type, at September 30, 2007, as applicable:

| | <u>Fair Value</u> | <u>Percentage</u> |
|-----------------------------------|-----------------------|-------------------|
| U.S. Government guaranteed* | \$ 213,927,279 | 52.11% |
| Credit risk debt securities | | |
| AAA | 39,405,292 | 9.60% |
| AA | 13,094,013 | 3.19% |
| A | 30,607,026 | 7.46% |
| BBB | 32,367,083 | 7.88% |
| Bond Funds ** | 77,884,146 | 18.97% |
| Not rated (Bond funds and CMOs) | 3,252,692 | 0.79% |
| Total credit risk debt securities | <u>196,610,252</u> | <u>47.89%</u> |
| Total fixed income securities | <u>\$ 410,537,531</u> | <u>100.00%</u> |

* Obligations of the U.S. government or obligations explicitly or implicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

** At September 30, 200, bond funds are comprised of securities rated AAA (79%), AA (5%), A (8%), BBB (8%), per Lehman Brothers Aggregate Bond Index.

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments that are in the possession of an outside party. Consistent with the Plan’s investment policy, the investments are held by the Plan’s custodial bank and registered in the Plan’s name.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Concentration of Credit Risk - The investment policy of the Plan contains limitations on the amount that can be invested in any one issuer as well as maximum portfolio allocation percentages. There were no individual investments that represent 5% or more of Plan net assets at September 30, 2007.

Foreign Currency Risk - Foreign currency is the risk that changes in exchange rates will adversely affect the fair value of the investment or a deposit. Each investment manager, through the purchase of units in a commingled investment trust fund or international equity mutual fund, establishes investments in international equities. FIPO has an indirect exposure to foreign currency fluctuation as follows:

| <u>Currency</u> | <u>Holdings valued in U.S. Dollars - International Equities</u> |
|------------------------|---|
| Swiss franc | \$ 3,837,754 |
| Danish krone | 1,793,192 |
| Euro | 46,179,352 |
| British pound sterling | 12,480,192 |
| Hong Kong dollar | 3,299,485 |
| Japanese yen | 23,443,946 |
| South Korean won | 4,390,651 |
| Swedish krona | 728,195 |
| Thai baht | 633,146 |
| Other | 815,339 |
| | <u>\$ 97,601,252</u> |

Securities Lending Transactions - A retirement system is authorized by state statutes and board of trustees' policies to lend its investment securities. The lending is managed by the Trust's custodial bank. All loans can be terminated on demand by either the Trust or the borrowers, although the average term of loans is approximately 89 days. The custodial bank and its affiliates are prohibited from borrowing the system's securities. The agent lends the Trust's U.S. government and agency securities and domestic corporate fixed-income and equity securities for securities or cash collateral of 102% and international securities of 105% of the securities plus any accrued interest. The securities lending contracts do not allow the Trust to pledge or sell any collateral securities unless the borrower defaults. Cash collateral is invested in the agent's collateral investment pool, whose share values are based on the amortized cost of the pool's investments. Investments are restricted to issuers with a credit rating A3 or A- or higher by Moody's or Standard & Poor's. At year-end, the pool has a weighted average term to maturity of 31 days. The relationship between the maturities of the investment pool and the Trust's loans is affected by the maturities of the securities' loans made by other entities that use the agent's pool, which the Trust cannot determine. There are policy restrictions by the custodial bank that limits the amount of securities that can be lent at one time or to one borrower.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

The following represents the balances relating to securities lending transactions at September 30, 2007:

| Securities Lent: | Fair Value of Underlying Securities | Cash Collateral Received/Securities Collateral Value | Cash Collateral Investment Value |
|--|--|---|---|
| Lent for cash collateral: | | | |
| U.S. government and agency obligations | \$ 62,957,882 | \$ 64,306,407 | \$ 64,306,407 |
| Domestic corporate stocks | 148,267,014 | 152,342,140 | 152,342,140 |
| Domestic corporate bonds | 8,077,405 | 8,282,035 | 8,282,035 |
| International corporate stocks | 5,215,045 | 5,496,387 | 5,496,387 |
| | <u>224,517,346</u> | <u>230,426,969</u> | <u>230,426,969</u> |
| Lent for securities collateral: | | | |
| U.S. government and agency obligations | 3,374,220 | 3,452,897 | - |
| Domestic corporate stocks | 2,486,831 | 2,549,792 | - |
| Domestic corporate bonds | 1,172,285 | 1,201,048 | - |
| International corporate stocks | 1,231,857 | 1,287,725 | - |
| | <u>8,265,193</u> | <u>8,491,462</u> | <u>-</u> |
| Total securities lent | <u>\$ 232,782,539</u> | <u>\$ 238,918,431</u> | <u>\$ 230,426,969</u> |

The contract with the Trust's custodian requires the custodian to indemnify the Trust if the borrower fails to return the securities, due to the insolvency of a borrower, and the custodian has failed to live up to its contractual responsibilities relating to the lending of those securities. At year-end, the Trust has no credit risk exposure to borrowers because the amounts of collateral held by the Trust exceed the amounts the borrowers owe the Trust. There are no significant violations of legal or contractual provisions, no borrowers or lending agent default losses, and no recoveries of prior period losses during the year. There is no income distributions owing on securities lent.

GESE Pension Trust Funds

Investments for the City of Miami Employees and Sanitation Employees Retirement Trust (GESE Trust) and the City of Miami General Employees and Sanitation Employees Retirement Trust Staff Pension Plan (Staff Trust), as of September 30, 2007, was as follows:

| | Fair Value | |
|---------------------------------------|-----------------------|------------------------|
| | GESE Trust | Staff Trust |
| U.S. Government and Agency Securities | \$ 67,756,276 | \$ - |
| Corporate Stocks | 480,869,983 | - |
| Corporate Bonds | 70,651,651 | - |
| | <u>619,277,910</u> | <u>-</u> |
| Real Estate Fund | 47,473,494 | - |
| Money Market Fund | 24,403,952 | 1,134,340 |
| Total Investments | <u>\$ 691,155,356</u> | <u>\$ 1,134,340</u> |

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

GESE Trust

The investment policy, approved by the Board of Trustees for the GESE Trust, stipulates the permissible investments and the allowable long-range asset allocation, measured at market value at the end of each quarter. The investment objectives are to achieve rates of return that equal or exceed actuarial interest assumption rate, and performance results that rank in the top half of the investment consultants universe database, over a rolling three-year period, without undue risk. Compliance with the investment policy is monitored by the GESE Trust’s investment consultant. The Board of Trustees for the GESE Trust has engaged outside investment professionals to manage the assets of the Trust. The Trusts are potentially exposed to various types of investment risk including credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Interest Rate Risk – The GESE Trust limits the maturities of investments to control this risk. The GESE Trust investment policy requires that the average duration of the fixed-income asset class be targeted within a range of three to ten years. In addition, each manager is expected to keep its duration at +/- one year of the benchmark duration. The GESE Trust utilizes duration to assess its risk to changes in interest rates.

The following represents the investment’s market value and duration of the securities at September 30, 2007:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Weighted Avg. Maturity Years</u> |
|----------------------------|-----------------------|---|
| Asset-Backed | \$ 8,904,000 | 3.03 |
| Corporate-Bank | 10,151,000 | 3.55 |
| Corporate-Finance | 12,570,000 | 4.35 |
| Corporate-Industrial | 19,906,000 | 6.38 |
| Corporate-Misc | 2,234,000 | 2.84 |
| Corporate-Transportation | 773,000 | 1.91 |
| Corporate-Comm. Utility | 3,278,000 | 5.01 |
| Corporate-Electric Utility | 1,985,000 | 5.77 |
| Corporate-Gas Utility | 685,000 | 5.81 |
| US Treasury | 14,899,000 | 5.19 |
| US Agency | 1,533,000 | 3.19 |
| Yankee-Industrial | 823,000 | 7.25 |
| Yankee-Utility | 102,000 | 10.32 |
| Yankee-Finance | 52,000 | 11.51 |
| Mortgages | 60,438,000 | 3.98 |
| Total | <u>\$ 138,333,000</u> | |

Credit Risk - The GESE Trust’s Investment Policy Statement limits credit risk by requiring all fixed-income securities to be rated by Moody’s as a Baa/BBB or better. The only exception is that a maximum of 5% of each manager’s portfolio may be invested in high yield securities rated Caa/CCC or better.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

At September 30, 2007, the following table displays Moody’s ratings and the market value of the total fixed-income portfolio invested:

| Classification/Rating | Market Value | Percent |
|------------------------------|-----------------------|----------------|
| Government * | \$ 16,432,000 | 11.60% |
| Asset-Backed ** | 8,904,000 | 6.30% |
| Mortgages ** | 60,438,000 | 42.60% |
| AAA | 1,422,000 | 1.00% |
| AA | 13,232,000 | 9.30% |
| A | 22,435,000 | 15.80% |
| Baa | 15,470,000 | 10.90% |
| Total | \$ 138,333,000 | 97.50% |

* Implied AAA rating

** There is no rating classification for these investments

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The GESE Trust utilizes an independent custodial safekeeping agent for its investment activity. Custodial credit risk is limited since its investments are held in independent custodial safekeeping accounts, external investment pools, and/or open end mutual funds. All cash in each money manager’s portfolio is swept into a money market mutual fund on a daily basis.

Concentration of Credit Risk - The GESE Trust utilizes limitations on securities of a single issuer or industry to manage this risk. Investments issued or explicitly guaranteed by the US Government and investments in mutual funds, external investment pools, and other pooled investments are not subject to any concentration of credit risk. The GESE Trust investment policy requires that corporate bond issues must be diversified by industry and in number so that no investment in the securities of a single issue shall exceed 5% (at cost) of the value of the portfolio. Single industry weightings will be a maximum of 25%, except U.S. government and agency securities. At September 30, 2007, the GESE Trust did not have any investments with issuers greater than 5%.

Foreign Currency Risk - At September 30, 2007, the GESE Trust did not have any foreign denominated fixed-income investments.

Staff Trust

The investment policy for the Staff Trust was determined by the Board of Trustees and is monitored by the Staff Trust’s investment consultant. The policy stipulates the permissible investments, and the allowable long-range asset allocation, measured at market value, at the end of each quarter. The investment objectives are to achieve rates of return that equal or exceed actuarial interest assumption rate, and performance results that rank in the top half of the investment consultants universe database, over a rolling three-year period, without undue risk. The Board of Trustees has engaged outside investment professionals to manage the assets for the Staff Trust.

Interest Rate Risk – The Staff Trust limits the maturities of investments to control this risk. The Staff Trust investment policy requires that the average duration of the fixed-income asset class be targeted within a range of three to ten years. In addition, the manager is expected to keep its duration at +/- one year of the benchmark duration. The Staff Trust utilizes duration to assess its risk to changes in interest rates. The Money Market Funds do not have a set maturity date.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

The following table lists the investment type along with the total market value and duration of the securities.

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Effective Duration</u> |
|------------------------|-------------------|---------------------------|
| Money Market Fund | \$ 1,134,340 | Less than 1 year |

Credit Risk - The Staff Trust Investment Policy Statement limits credit risk by requiring all fixed-income securities to be rated by Moody’s as a Baa/BBB or better. At September 30, 2007, the Staff Plan did not have investments in fixed-income securities. Instead, all of the investments were in money market funds.

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Staff Trust utilizes an independent custodial safekeeping agent for its investment activity. Custodial credit risk is limited since its investments are held in independent custodial safekeeping accounts, external investment pools, and/or open-end mutual funds. All cash in each money manager’s portfolio is swept into a money market mutual fund on a daily basis.

Concentration of Credit Risk - The Staff Trust utilizes limitations on securities of a single issuer or industry to manage this risk. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools and other pooled investments are excluded from this requirement. The Staff Trust investment policy requires that corporate bond issues must be diversified by industry and in number so that no investment in the securities of a single issue shall exceed 20% (at cost) of the value of the portfolio. Single industry weightings will be a maximum of 20%, except U.S. government and agency securities. As of September 30, 2007, the Staff Trust did not have any positions with issuers greater than 5%.

Foreign currency risk - At September 30, 2007, the GESE Staff Trust did not have any foreign fixed-income investments.

Elected Official Retirement Trust (EORT)

At September 30, 2007, the investments of EORT consisted of the following:

| <u>Investment Type</u> | <u>Fair Value</u> |
|--|----------------------------|
| United States Treasury Notes | \$ 1,090,934 |
| Federal Home Loan Mortgage Corporation | 1,053,951 |
| Cash and Money Market Funds | 1,406,776 |
| Total | <u><u>\$ 3,551,661</u></u> |

Interest Rate Risk - Interest rate risk is the risk that as market rate changes the fair value of an investment will vary. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in the market interest rate. The City’s investment policy limits the maturity of an investment to a maximum of 5 years. As of September 30, 2007, EORT had the following investments with the respective weighted average maturity in years. The respective weighted average maturities were based on the securities call date, not the maturity date.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

| <u>Investment Type</u> | <u>In Years</u> |
|--|------------------|
| United States Treasury Notes | 0.71 |
| Federal Home Loan Mortgage Corporation | 0.75 |
| Money Market Funds | Less than 1 year |

The investments at September 30, 2007 are in compliance with EORT’s investment policy.

Credit Risk - The Plan’s investment policy minimizes credit risk by restricting authorized investments to the highest ratings of at least one of the nationally recognized statistical rating organizations (NRSROs). Investments in the State Board of Administration, The Local Government Surplus Funds Trust Fund, do not have a rating from the NRSRO. Commercial paper and bankers acceptances must have the highest letter and numerical rating as provided for by at least one NRSRO. The credit ratings below for U.S. Treasury and Agency were consistent among the three major rating agencies (Moody’s, Standard and Poor’s, and Fitch). Money Market Funds are authorized by the City’s investment policy, but are not rated by the major rating agencies.

The table below summarizes the investments by credit rating at September 30, 2007:

| <u>Investment Type</u> | <u>Credit Rating</u> |
|--|----------------------|
| United States Treasury Notes | AAA |
| Federal Home Loan Mortgage Corporation | AAA |
| Cash and Money Market Fund | Not Rated |

Custodial Credit Risk - This is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Staff Trust utilizes an independent custodial safekeeping agent for its investment activity. Custodial credit risk is limited since its investments are held in independent custodial safekeeping accounts, external investment pools, and/or open-end mutual funds. All cash in each money manager’s portfolio is swept into a money market mutual fund on a daily basis.

Concentration of Credit Risk - The Plan’s policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The policy provides that a maximum of 20% of the portfolio may be invested in SEC registered money market funds with no more than 10% to any single money market fund. A maximum of 100% of available funds may be invested in the Local Governments Surplus Funds Trust Fund. A maximum of 100% of the total portfolio may be invested in U.S. Government securities and federal instrumentalities, with a limit of 25% invested in any one issuer of federal instrumentalities. A maximum of 35% of the portfolio may be invested in prime commercial paper with a maximum of 10% with any one issuer. A maximum of 10% of the portfolio may be invested in banker’s acceptances with a maximum of 5% with any one issuer.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

As of September 30, 2007, the following issuers held 5% or more of the investment portfolio:

| <u>Issuer</u> | <u>Percent</u> |
|--|----------------|
| United States Treasury Notes | 31% |
| Federal Home Loan Mortgage Corporation | 30% |
| Cash and Money Market Funds | 39% |
| | <u>100%</u> |

NOTE 4. – RECEIVABLES

Receivables at year-end for the City in individual major funds and non-major funds in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

| Receivables | General | Community Development | Fire Rescue Services | Comm. Service Tax | General Govt | Streets & Sidewalks | Non-Major Govt Funds | Total |
|-------------------------------|----------------------|----------------------------------|---------------------------------|------------------------------|-------------------------|------------------------------------|---------------------------------|----------------------|
| Accounts | \$ 25,646,838 | \$ 3,795,481 | \$ 57,541 | \$ 5,422 | \$ 575,000 | \$ 395,128 | \$ 5,358,372 | \$ 35,833,782 |
| Taxes | 12,236,367 | - | - | - | - | - | 1,132,275 | 13,368,642 |
| Due from Other Govts | 783,373 | 6,267,809 | 20,204,797 | 8,240,241 | 131,224 | 1,290,688 | 26,572,270 | 63,490,402 |
| Loan to Component Unit | - | 2,700,000 | - | - | - | - | - | 2,700,000 |
| Loans Receivables | - | - | - | - | - | - | 5,304,423 | 5,304,423 |
| Gross Receivables | 38,666,578 | 12,763,290 | 20,262,338 | 8,245,663 | 706,224 | 1,685,816 | 38,367,340 | 120,697,249 |
| Less: Allow for Uncollectable | (12,170,398) | (6,450,634) | (2,145,189) | (5,422) | (575,000) | (391,225) | (6,843,364) | (28,581,232) |
| Net Total Receivables | <u>\$ 26,496,180</u> | <u>\$ 6,312,656</u> | <u>\$ 18,117,149</u> | <u>\$ 8,240,241</u> | <u>\$ 131,224</u> | <u>\$ 1,294,591</u> | <u>\$ 31,523,976</u> | <u>\$ 92,116,017</u> |

As part of its Community Development Block Grant (CDBG) program, the City issues single and multi-family housing rehabilitation loans to qualified residents. All repayments of the loans, which carry low interest rates, remain in the loan program. As collection of the loans is not assured, the loans are fully reserved. The loan to the component unit represents a receivable from the DOSP in the amount of \$2,700,000, which is fully reserved for as of September 30, 2007 (see Note 9).

Loans receivables amount represents a loan to Parrot Jungle Island authorized under the loan participation agreement with Miami-Dade County. The agreement required the City to assume 80% of the guarantee of the loan. Balance at September 30, 2007 represents payments made on behalf of Parrot Jungle Island to Miami-Dade County. Amounts are due to the City beginning in 2012.

Single-Family Homeownership and Rehabilitation Programs

Single-family home rehabilitation and homeownership programs funded under the Community Development Block Grant (CDBG), HOME Investment Partnership Loan Program (HOME), American Dream Down Payment Initiative (ADDI), State Housing Initiative Partnership Program (SHIP) or Affordable Housing Trust Fund, generally are repaid when the related properties are transferred or sold. If the property is transferred or sold before the end of the “loan” period, the proceeds from the repayment including interest, if any, are then returned to the program to assist additional low-income families. If the homeowners remain in their homes for the full term of the deferred loan, the loan is “forgiven” and becomes a grant. A mortgage or a covenant is placed against the property to ensure the repayment of the loan and interest. Given the nature of these “loans”, collection on loans is not assured, consequently they are not recognized in the financial statements.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

A summary of single-family, deferred long-term loans that are not recognized in the financial statements is as follows:

| September 30, 2007 | | |
|---------------------------|--------------------------|----------------------|
| Program | Loans Outstanding | Amount |
| CDBG | 118 loans | \$ 2,081,113 |
| HOME | 341 loans | 11,390,101 |
| SHIP | 390 loans | 7,095,239 |
| Other | 62 loans | 1,590,835 |
| Total | 913 loans | \$ 22,157,288 |

Home Ownership and Rental Multi-Family Loans

As of September 30, 2007, there are 75 projects aggregating to \$35,229,340 for new construction or rehabilitation of multi-family units, which under the terms of the loan agreement are to be repaid if program conditions are not met. Home ownership loans are usually “forgiven” to the developer and transferred to the home buyer. The home buyer loans are usually amortizable or deferred during the life of the affordability period. Such loans will be forgiven and become grants if the homeowners remain in their homes during the full term of the loan. Given the nature of these “loans”, collection on loans is not assured, consequently they are not recognized in the financial statements.

Economic Development Commercial Loans

As of September 30, 2007, there are 28 loans aggregating to \$10,975,989 for Special Economic Development projects under the CDBG program. Those projects are collateralized by placing a mortgage against the property of the business or non-profit entity’s assets to ensure repayment of the loan and interest to the City. Some of these “loans” are written with no interest payment or deferred payments and are “forgivable”, if all program conditions are met. Given the nature of these “loans”, collection on loans is not assured, consequently they are not recognized in the financial statements.

NOTE 5. – PROPERTY TAXES

Property taxes are reassessed according to the fair market value on January 1st of each year and are due, with discounts of one to four percent allowed if paid prior to March 1st of the following calendar year. Taxpayers also have the option of paying their taxes in advance in equal quarterly payments based on the prior year's tax assessment with quarterly discounts varying between 2% and 6%. All unpaid taxes on real and personal property become delinquent on April 1st and bear interest at 18% until a tax sale certificate is sold at auction. The County bills and collects all property taxes for the City, and sells tax certificates for delinquent taxes.

The assessed value of property, as established by the Miami-Dade County Property Appraiser, at January 1, 2006, upon which the 2006-2007 levy was based, was \$33,032,909,346. The City is permitted by Article 7, Section 8 of the Florida Constitution to levy taxes up to \$10 per \$1,000 of assessed valuation for general governmental services other than the payment of principal and interest on general obligation long-term debt. In addition, unlimited amounts may be levied for the payment of principal and interest on general obligation long-term debt, subject to a limitation on the amount of debt outstanding. The tax rate to finance general governmental services (other than the payment of principal and interest on general obligation long-term debt) for the year ended September 30, 2007, was \$7.2999 per \$1,000. The debt service tax rate for the same period was \$0.5776 per \$1,000.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Property taxes receivable reported in the government-wide Statement of Net Assets and the governmental funds Balance Sheet represent amounts due for unpaid delinquent property taxes at September 30, 2007. Property taxes that are not considered “available” have been reported as deferred revenues in the governmental funds Balance Sheet.

NOTE 6. – CAPITAL ASSETS

The following is a summary of changes in capital assets during the year ended September 30, 2007:

| | Primary Government | | | |
|--|------------------------------|------------------------------------|---------------------------------------|---------------------------|
| | Beginning Balance | Additions/ Transfers In | Retirements/ Transfers Out | Ending Balance |
| Governmental Activities: | | | | |
| Non-Depreciable Assets: | | | | |
| Land | \$ 79,182,702 | \$ 8,785,062 | \$ 1,247,918 | \$ 86,719,846 |
| Construction in Progress | 130,405,130 | 127,697,594 | 63,453,822 | 194,648,902 |
| Total Capital Assets, not being depreciated | 209,587,832 | 136,482,656 | 64,701,740 | 281,368,748 |
| Depreciable Assets: | | | | |
| Buildings | 169,367,529 | 653,280 | 33,382,764 | 136,638,045 |
| Improvements | 81,084,157 | 28,062,325 | 13,156,810 | 95,989,672 |
| Machinery and Equipment | 130,605,331 | 8,998,110 | 1,466,392 | 138,137,049 |
| Infrastructure | 1,061,394,208 | 26,365,423 | 243,911 | 1,087,515,720 |
| Totals at historical cost | 1,652,039,057 | 200,561,794 | 112,951,617 | 1,739,649,234 |
| Less Accumulated Depreciation for: | | | | |
| Buildings | 97,749,834 | 4,430,908 | 27,252,313 | 74,928,429 |
| Improvements | 28,037,811 | 4,469,890 | 804,034 | 31,703,667 |
| Machinery and Equipment | 67,022,123 | 14,953,686 | 1,033,194 | 80,942,615 |
| Infrastructure | 535,274,963 | 27,873,281 | 6,098 | 563,142,146 |
| Total accumulated depreciation | 728,084,731 | 51,727,765 | 29,095,639 | 750,716,857 |
| Total Capital Assets being depreciated, net | 714,366,494 | 12,351,373 | 19,154,238 | 707,563,629 |
| Governmental activities capital assets, net | \$ 923,954,326 | \$ 148,834,029 | \$ 83,855,978 | \$ 988,932,377 |

Depreciation expense was charged to governmental functions as follows:

| | |
|-----------------------------------|----------------------|
| General Government | \$ 2,998,811 |
| Planning and Development | 100,142 |
| Community Development | 62,853 |
| Community Redevelopment Areas | 397,501 |
| Public Works | 4,910,041 |
| Public Safety | 9,067,928 |
| Public Facilities | 495,637 |
| Parks and Recreation | 4,146,520 |
| Unallocated Depreciation | 29,548,332 |
| Total depreciation expense | \$ 51,727,765 |

During fiscal year 2007, the University of Miami, the primary tenant, did not renew its lease with the Orange Bowl Stadium (“Stadium”). Subsequent to year end, the City demolished the Stadium site to make room for a new baseball stadium. The cost of the Stadium was \$51,839,571 and the accumulated depreciation was \$28,244,391 at September 30, 2007. As a result, the City recognized an impairment loss of \$23,595,180. The impairment loss has been recognized as a special item on the Statement of Activities.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Construction Commitments

At September 30, 2007, the City had in process various construction projects that were not completed with a remaining balances totaling \$46,424,573. Funding of these projects is to be made primarily through the proceeds of the related bond issues, loans and future taxes.

Discretely Presented Component Units Capital Assets

The following is a summary of changes in capital assets of the component units during the year ended September 30, 2007:

The MSEA did not have any capital assets during the fiscal year ended September 30, 2007.

A summary of the changes in capital assets for DOSP is as follows:

| | DOSP | | | |
|--|------------------------------|---------------------|--------------------|---------------------------|
| | Beginning Balance | Additions | Retirements | Ending Balance |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 14,152,054 | \$ - | \$ - | \$ 14,152,054 |
| Construction in progress | 2,704,689 | 1,088,465 | - | 3,793,154 |
| Total capital assets, not being depreciated | <u>16,856,743</u> | <u>1,088,465</u> | <u>-</u> | <u>17,945,208</u> |
| Capital assets, being depreciated: | | | | |
| Building and structures | 29,229,457 | - | - | 29,229,457 |
| Leasehold improvements | 8,781,291 | 54,060 | - | 8,835,351 |
| Furniture and fixtures | 307,326 | - | - | 307,326 |
| Equipment | 12,267,164 | 2,540,432 | (219,861) | 14,587,735 |
| Total capital assets, being depreciated | <u>50,585,238</u> | <u>2,594,492</u> | <u>(219,861)</u> | <u>52,959,869</u> |
| Less accumulated depreciation for: | | | | |
| Building and structures | (14,111,391) | (884,695) | - | (14,996,086) |
| Leasehold improvements | (5,576,312) | (619,735) | - | (6,196,047) |
| Furniture and fixtures | (190,799) | (17,830) | - | (208,629) |
| Equipment | (9,093,089) | (907,310) | 219,861 | (9,780,538) |
| Total accumulated depreciation | <u>(28,971,591)</u> | <u>(2,429,570)</u> | <u>219,861</u> | <u>(31,181,300)</u> |
| Total capital assets, being depreciated, net | <u>21,613,647</u> | <u>164,922</u> | <u>-</u> | <u>21,778,569</u> |
| DOSP capital assets, net | <u>\$ 38,470,390</u> | <u>\$ 1,253,387</u> | <u>\$ -</u> | <u>\$ 39,723,777</u> |

A summary of the changes in capital assets for DDA is as follows:

| | DDA | | | |
|------------------------------------|------------------------------|--------------------|--------------------|---------------------------|
| | Beginning Balance | Additions | Retirements | Ending Balance |
| Capital assets, being depreciated: | | | | |
| Furniture and equipment | \$ 534,756 | \$ 31,966 | \$ - | \$ 566,722 |
| Less accumulated depreciation for: | | | | |
| Furniture and equipment | (249,989) | (72,251) | - | (322,240) |
| DDA capital assets, net | <u>\$ 284,767</u> | <u>\$ (40,285)</u> | <u>\$ -</u> | <u>\$ 244,482</u> |

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

A summary of changes in capital assets for BFP is as follows:

| | BFP | | | |
|--|--|-------------------|--------------------|---------------------------|
| | Beginning Balance as restated | Additions | Retirements | Ending Balance |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 516,129 | \$ - | \$ - | \$ 516,129 |
| Construction in progress | 153,519 | 197,024 | - | 350,543 |
| Total capital assets, not being depreciated: | <u>669,648</u> | <u>197,024</u> | <u>-</u> | <u>866,672</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 2,637,934 | - | - | 2,637,934 |
| Public domain and system infrastructure | 2,570,944 | 537,178 | - | 3,108,122 |
| Machinery and equipment | 362,413 | 8,705 | - | 371,118 |
| Total capital assets, being depreciated | <u>5,571,291</u> | <u>545,883</u> | <u>-</u> | <u>6,117,174</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (966,203) | (52,759) | - | (1,018,962) |
| Public domain and system infrastructure | (1,288,378) | (129,576) | - | (1,417,954) |
| Machinery and equipment | (218,150) | (25,796) | - | (243,946) |
| Total accumulated depreciation | <u>(2,472,731)</u> | <u>(208,131)</u> | <u>-</u> | <u>(2,680,862)</u> |
| Total capital assets, being depreciated, net | <u>3,098,560</u> | <u>337,752</u> | <u>-</u> | <u>3,436,312</u> |
| BFP capital assets, net | <u>\$ 3,768,208</u> | <u>\$ 534,776</u> | <u>\$ -</u> | <u>\$ 4,302,984</u> |

Summary of discretely presented component unit capital assets is as follows:

| | DOSP | DDA | BFP | Total |
|------------------------|----------------------|-------------------|---------------------|----------------------|
| Capital Assets: | | | | |
| Non-depreciable | \$ 17,945,208 | \$ - | \$ 866,672 | \$ 18,811,880 |
| Debrecriable, Net | 21,778,569 | 244,482 | 3,436,312 | 25,459,363 |
| | <u>\$ 39,723,777</u> | <u>\$ 244,482</u> | <u>\$ 4,302,984</u> | <u>\$ 44,271,243</u> |

Depreciation expenses were charged to the discretely presented component units as follows:

| | |
|-----------------------------------|---------------------|
| DOSP | \$ 2,429,570 |
| DDA | 72,251 |
| BFP | 208,131 |
| Total depreciation expense | <u>\$ 2,709,952</u> |

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

NOTE 7. – Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities at September 30, 2007 consisted of the following:

| | General | Community Development | Fire Rescue Services | General Government | Street & Sidewalks | Nonmajor Governmental Funds | Total |
|-----------------------|----------------------|-----------------------|----------------------|---------------------|---------------------|-----------------------------|----------------------|
| Vendors | \$ 41,018,272 | \$ 2,999,546 | \$ 2,940,286 | \$ 1,713,012 | \$ 6,993,540 | \$ 19,205,927 | \$ 74,870,583 |
| Salaries and Benefits | 12,909,781 | 157,043 | 97,302 | 108,029 | - | 505,288 | 13,777,443 |
| Total | \$ 53,928,053 | \$ 3,156,589 | \$ 3,037,588 | \$ 1,821,041 | \$ 6,993,540 | \$ 19,711,215 | \$ 88,648,026 |

NOTE 8. – Interfund Receivables, Payables, and Transfers

The balances reflected as due from/due to other funds as of September 30, 2007 are as follows:

| Receivable Fund | Payable Fund | Amount |
|-----------------|----------------------------|----------------------|
| General Fund | Fire Rescue Services | \$ 15,493,137 |
| General Fund | Communication Services Tax | 2,912,694 |
| General Fund | Homeless | 428,793 |
| General Fund | Transportation and Transit | 1,734,271 |
| General Fund | Special Obligation Bonds | 9,419,771 |
| | | <u>\$ 29,988,666</u> |

These outstanding balances between funds result mainly from the time lag between the dates that (a) interfund goods and services are provided or reimbursable expenditures occur, (b) transactions are recorded in the accounting system, and (c) payments between funds are made.

The following is a summary of interfund transfers for the year ended September 30, 2007:

| Transfer Out | Transfer In | | | | | | Total |
|-----------------------------|----------------------|-----------------------|---------------------|----------------------|----------------------|-----------------------------|-----------------------|
| | General | Community Development | Fire Rescue Service | General Government | Street & Sidewalks | Nonmajor Governmental Funds | |
| General | \$ - | \$ 487,200 | \$ 199,350 | \$ 20,886,321 | \$ 8,700,000 | \$ 18,779,353 | \$ 49,052,224 |
| Community Development | - | - | - | - | - | 1,747,753 | 1,747,753 |
| Fire Rescue Service | 99,028 | - | - | - | - | 2,782,814 | 2,881,842 |
| Public Services Tax | 38,983,261 | - | - | - | - | 18,335,808 | 57,319,069 |
| General Government | 13,101,442 | - | - | - | 13,016,233 | 43,298,708 | 69,416,383 |
| Street & Sidewalks | 7,998,591 | - | - | 23,803,130 | - | 144,891 | 31,946,612 |
| Nonmajor Governmental Funds | 1,228,718 | 266,296 | - | 31,434,639 | 7,297,608 | 25,415,290 | 65,642,551 |
| Total | \$ 61,411,040 | \$ 753,496 | \$ 199,350 | \$ 76,124,090 | \$ 29,013,841 | \$ 110,504,617 | \$ 278,006,434 |

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (b) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (c) move unrestricted revenues collected in the general and public services tax funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. – LONG-TERM OBLIGATIONS

Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended September 30, 2007:

| Primary Government | Beginning Balance | Additions | Reductions | Ending Balance | Due within One Year |
|--|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| General obligation bonds | \$ 205,306,932 | \$ 153,060,000 | \$ (112,677,523) | \$ 245,689,409 | \$ 10,295,644 |
| Special obligation and revenue bonds, and loans | 153,347,624 | 36,727,000 | (39,984,752) | 150,089,872 | 12,756,363 |
| Accretion | 36,630,973 | | (453,464) | 36,177,509 | - |
| Deferred amounts | 6,117,414 | 2,681,578 | - | 8,798,992 | - |
| Total bonds, notes, and loans | 401,402,943 | 192,468,578 | (153,115,739) | 440,755,782 | 23,052,007 |
| Other liabilities: | | | | | |
| Capital lease | 1,298,941 | - | (640,219) | 658,722 | 658,722 |
| Compensated absences | 70,759,099 | 16,672,466 | (10,959,769) | 76,471,796 | 6,845,793 |
| Claims payable | 122,676,113 | 48,177,991 | (29,250,266) | 141,603,838 | 30,247,944 |
| Net pension obligation | 3,583,015 | 294,193 | - | 3,877,208 | - |
| Total governmental activities long-term liabilities | \$ 599,720,111 | \$ 257,613,228 | \$ (193,965,993) | \$ 663,367,346 | \$ 60,804,466 |

Claims and judgments, compensated absences, and the net pension obligation are generally liquidated by the General Fund.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Bonds and Loans Outstanding – Summarized below are the City’s bond and loan issues, which are outstanding at September 30, 2007:

| DESCRIPTION | Purpose of Issue | Amount Issued | Outstanding Balance | Interest Rate Range | Maximum Annual Debt Service |
|--|-------------------------|-----------------------|----------------------------|----------------------------|------------------------------------|
| General Obligation Bonds: | | | | | |
| General Obligations Refunding Bonds Series 1992 | Refunding | \$ 70,100,000 | \$ 8,710,000 | 5.9%-6% | \$ 2,774,343 |
| Homeland Defense/Neighborhood CIP Series 2002 (Limited) | Homeland Defense | 153,186,406 | 44,514,409 | 1.8%-4.97% | 7,486,591 |
| General Obligation Refunding Bonds Series 2002A | Refunding | 32,510,000 | 27,490,000 | 3.7%-5.375% | 6,682,281 |
| General Obligation Bonds Other Issues | Housing | 23,190,000 | 1,255,000 | .5%-4% | 427,358 |
| General Obligation Refunding Bonds Series 2003B | Refunding | 4,180,000 | 4,120,000 | 2%-3.5% | 1,446,838 |
| General Obligation Refunding Bonds Series 2003 | Refunding | 18,680,000 | 6,540,000 | 3%-5% | 2,701,475 |
| General Obligation Refunding Bonds Series 2007A (Limited) | Refunding | 103,060,000 | 103,060,000 | 4%-5% | 19,414,125 |
| General Obligation Refunding Bonds Series 2007B (Limited) | Homeland Defense | 50,000,000 | 50,000,000 | 4.995%-5% | 9,645,694 |
| Total General Obligation Bonds | | \$ 454,906,406 | \$ 245,689,409 | | |
| Special Obligation and Revenue Bonds and Loans: | | | | | |
| Special Revenue Refunding Bonds Series 1987 | Refunding | \$ 65,271,325 | \$ 7,504,708 | 5.25%-7.3% | \$ 5,896,668 |
| Community Redevelopment Revenue Bonds Series 1990 | Redevelopment | 11,500,000 | 2,180,000 | 8.50% | 358,975 |
| Special Obligation Non-Ad Valorem Series 1995 | MRC Building | 22,000,000 | 1,820,000 | 5.4%-5.7% | 661,173 |
| Special Obligation Non-Ad Valorem Revenue Series 1995 | Pension | 72,000,000 | 30,875,000 | 6.5%-7.25% | 4,054,780 |
| Special Revenue Refunding Bonds Series 2002A | Refunding | 27,895,000 | 27,895,000 | 3.7%-5.375% | 3,353,539 |
| Special Revenue Refunding Bonds Series 2002B | Refunding | 13,170,000 | 1,495,000 | 3%-3.25% | 1,543,588 |
| Special Revenue Refunding Bonds Series 2002C | Refunding | 28,390,000 | 23,585,000 | 3%-4.375% | 2,695,606 |
| Non Ad Valorem Variable Rate Refunding Bonds Series 2006 | Refunding | 30,615,000 | 30,615,000 | (4) | - |
| Sunshine State Government Financing Commission Loans | Facility Improvements | 27,630,900 | 9,214,300 | (1) | (2) |
| SEOPW - Section 108 HUD Loan | Redevelopment | 5,100,000 | 3,500,000 | 8.47%-9.03% | 737,563 |
| Wynwood - Section 108 HUD Loan | Redevelopment | 5,500,000 | 2,935,000 | (3) | (3) |
| Sunshine State Government Financing Commission-Secondary Loan | SCI, Melreese | 3,500,000 | 1,450,000 | (1) | (2) |
| Parrot Jungle | Development | 6,112,000 | 5,312,000 | | |
| Gran Central Corporation Loan | Redevelopment | 1,708,864 | 1,708,864 | 0.00% | 1,708,864 |
| Total Special Obligation Bonds, Revenue Bonds and Loans | | 320,393,089 | 150,089,872 | | |
| Total Bonds | | \$ 775,299,495 | \$ 395,779,281 | | |

- (1) These variable rate loans are subject to a 15% interest rate cap. The Commission loans had an average interest rate of 4.22% on September 30, 2007.
- (2) The amortization requirement of the covenant program (not the individual issues) variable rate obligation requires a minimum amortization over the 1/3 (10 years) of the normal (30 years) maturity.
- (3) These variable rate loans are subject to LIBOR plus 0.2%. The interest is calculated monthly and paid to the trustee quarterly.
- (4) These variable rate loans are subject to LIBOR plus 0.2%. The interest is calculated and paid monthly.

Annual Debt Service Requirements to Maturity

The annual debt service requirements for all bonds and loans outstanding as of September 30, 2007 are as follows:

| Year Ended September 30, | General Obligation Bonds | | Special Obligation, Revenue Bonds, and Loans | | Total | |
|-----------------------------|-----------------------------|-----------------------|--|-----------------------|-----------------------|-----------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2008 | \$ 10,295,644 | \$ 11,112,355 | \$ 12,756,363 | \$ 13,652,121 | \$ 23,052,007 | \$ 24,764,476 |
| 2009 | 10,335,262 | 11,390,034 | 11,570,759 | 13,265,761 | 21,906,021 | 24,655,795 |
| 2010 | 10,309,048 | 11,420,388 | 12,310,629 | 12,802,836 | 22,619,677 | 24,223,224 |
| 2011 | 10,357,664 | 11,375,053 | 12,067,810 | 12,277,199 | 22,425,474 | 23,652,252 |
| 2012 | 10,373,376 | 11,374,472 | 10,897,515 | 10,507,728 | 21,270,891 | 21,882,200 |
| 2013-2017 | 58,058,415 | 50,965,210 | 38,516,796 | 35,789,732 | 96,575,211 | 86,754,942 |
| 2018-2022 | 85,960,000 | 23,607,139 | 27,255,000 | 12,056,822 | 113,215,000 | 35,663,961 |
| 2023-2027 | 40,590,000 | 7,627,094 | 24,715,000 | 3,174,120 | 65,305,000 | 10,801,214 |
| 2028-2032 | 9,410,000 | 235,034 | - | - | 9,410,000 | 235,034 |
| | <u>\$ 245,689,409</u> | <u>\$ 139,106,779</u> | <u>\$ 150,089,872</u> | <u>\$ 113,526,319</u> | <u>\$ 395,779,281</u> | <u>\$ 252,633,098</u> |

Summary of New Debt Issuances

\$103,060,000 Limited Ad Valorem Tax Refunding Bonds Series 2007A – On July 10, 2007, the City issued \$103,060,000 in Limited Ad Valorem Tax Bonds, Series 2007A for the purpose of refunding on a current basis a portion of the City’s outstanding \$153,186,406 Limited Ad Valorem Tax Bonds, Series 2002. The aggregate principal amount of the bonds outstanding at the time of refunding was \$146,819,408. The bonds were issued with at an average interest rate of 5.417%, maturing from year 2016 through year 2022. The net proceeds of \$106,232,813 (after payment of \$1,332,360 in underwriting fees, issuance, and other costs) were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the old bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$3,927,813. These amounts are amortized over the remaining life of the new debt. The remaining balance of \$44,514,409 Series 2002 Bonds are still outstanding as of September 30, 2007. The difference between the cash flows required for debt service of the old debt and the cash flows required to service the new debt was \$4,822,588 and the City incurred an economic gain or net present value savings realized by this refunding was \$3,514,038.

\$50,000,000 Limited Ad Valorem Tax Bonds, Series 2007B – On July 10, 2007, the City issued \$50,000,000 in Limited Ad Valorem Tax Bonds, Series 2007B (Homeland Defense/Neighborhood Capital Improvement Projects) with interest rates ranging from 4.995% to 5.000% maturing through year 2028. The bonds are payable from limited ad valorem tax revenues and a covenant of the City to budget and appropriate a limited portion of its non ad valorem revenues.

\$30,615,000 Non- Ad Valorem Variable Rate Refunding Debt – On November 7, 2006, the City issued \$30,615,000, City of Miami, Florida Non-Ad Valorem Variable Rate Refunding Revenue Bonds, Taxable Pension Series 2006 Bonds. The Series 2006 Bonds were issued for the purpose of refunding a portion of the outstanding \$72,000,000 City of Miami, Florida Non-Ad Valorem Revenue Taxable Pension Bonds Series 1995. The reason for the issuance of the bonds was because the City entered into a Swaption agreement on November 15, 2004 with Morgan Stanley whereby they had the option to refinance the above portion of the Series 1995 bonds with floating rate debt. The City would then pay a

fixed rate and receive a floating rate. On November 27, 2006 Morgan Stanley exercised the option. The difference between the cash flows required to service the old debt and the cash flows required to service the new debt was \$1,295,910 and the City incurred a net present value savings (economic gain) of \$2,477,821.

\$6,112,000 Parrot Jungle and Gardens of Watson Island Loan Participation Agreement with Miami-Dade County – Miami-Dade County funded the development of a botanical garden attraction located at Watson Island with a loan guaranteed by the United States Department of Housing and Urban Development under the Section 108 Loan Guarantee Program. Miami-Dade County and the City of Miami entered into a loan participation agreement whereby the City assumed 80% of the loan obligation. Final maturity on this loan is in 2019.

Synopsis of Bond Covenants

A summary of major provisions and significant debt service requirements follows:

Debt service for general obligation bonds is provided for by a tax levy on non-exempt property value. The total general obligation debt outstanding is limited by the City Charter to 15% of the assessed non-exempt property value. At September 30, 2007, the statutory limitation for the City amounted to \$4,954,936,402 providing a debt margin of \$4,711,551,210 after consideration of \$245,689,409 of general obligation bonds outstanding at September 30, 2007 and adjusted for the fund balance of \$2,304,217 in the related Debt Service Fund.

The various special obligation and revenue bonds are collateralized by pledges of specific revenue sources in accordance with their bond indentures. Their bond resolutions require that sufficient funds be available in reserve accounts to meet the largest debt service requirement in any ensuing fiscal year or that a surety bond be obtained in lieu of the reserve account.

Loans obtained from the Sunshine State Governmental Financing Commission require a particular revenue pledge or a covenant to budget and appropriate non-ad valorem revenues. The City must maintain certain debt ratio requirements as specified under this loan requirement.

Escrow Agreement

On March 17, 1997, an agreement was entered into by and among an Escrow Agent, the Oversight Board, acting through its committee (Fiscal Sufficiency Advisory Board), and the City. The agreement directs the Escrow Agent to establish two escrow accounts, and maintain appropriate balances to ensure the timely payment of debt service on outstanding General Obligation and Revenue Bonds.

The City made deposits of \$2,304,217 with the escrow agent during fiscal year 2007 to cover its debt service requirements on the General Obligation Bonds. The City has agreed that certain ad valorem tax revenues received will be deposited each month into the escrow account in an amount specified by the underlying agreement. If the ad valorem taxes received in any month are inadequate to make the required deposit, the City must use other sources of funds to supplement the required deposits. The City also made deposits of \$5,615,334 with the Escrow Agent during fiscal year 2007 to cover its debt service requirements on the Special Obligation Bonds and Loans. The City has agreed to deposit revenues each month in amounts specified in the underlying agreement.

Long-Term Debt Authorized But Not Issued

On November 13, 2001, a referendum election was held and the voters approved the issuance of \$255,000,000 of Limited Ad Valorem Tax Bonds. As of September 30, 2007, the City has issued \$203,186,406 of the approved bonds.

Defeasance of Long-Term Debt

In prior years, the City had defeased certain outstanding general obligation, special obligation, and revenue bonds. For those defeasances involving advance refundings, the proceeds of the new bonds were placed in an irrevocable trust to provide for all future debt service payments on the defeased bonds. At September 30, 2007, the following outstanding bonds are considered defeased:

Defeased Debt:

Balance

| | |
|---|---------------|
| \$153,186,406 Limited Ad Valorem Tax Bonds, Series 2002: Homeland Defense/Neighborhood Capital Improvement Projects..... | \$102,305,000 |
|---|---------------|

Derivative Disclosure – Swaption Agreement

Objective of the Swaption – As a means to lowering its borrowing costs, when compared against fixed-rate bonds at the time of issuance in December 2006, the City entered into a \$30,615,000 swaption with Morgan Stanley Capital Services Inc. (“Morgan Stanley” or “Counterparty”) as a means to refund a portion of the outstanding Series 1995 Non-Ad Valorem Revenue, Taxable Pension Bonds in order to reduce interest costs. The Series 1995 Non-Ad Valorem Revenue, Taxable Pension Bonds were originally issued to provide funds to fund the General Employees and Sanitation Employees (GESE) and Police and Fire (FIPO) retirement funds.

Terms - On November 27, 2006, the City issued \$30,615,000, City of Miami, Florida Non-Ad Valorem Variable Rate Refunding Revenue Bonds, Taxable Pension Series 2006 Bonds. The Series 2006 Bonds were issued for the purpose of refunding a portion of the outstanding \$72,000,000 City of Miami, Florida Non-Ad Valorem Revenue Taxable Pension Bonds Series 1995. The reason for the issuance of the bonds was because the City entered into swaption agreement on November 15, 2004 with Morgan Stanley whereby they had the option to refinance the above portion of the Series 1995 bonds with floating rate debt. The City would then pay a fixed rate and receive a floating rate. On November 27, 2006, Morgan Stanley exercised the option. The LIBOR rate as of September 30, 2007 is 5.06%.

Fair Value - As of September 30, 2007, the swaption had a negative fair market value of \$3,454,258. The negative balance signifies the amount the City would have to pay to the counterparty (Morgan Stanley) if the City chose to terminate the swaption at that date. The City chose not to terminate the swaption and Morgan Stanley exercised their option on November 27, 2006 and entered into an interest rate swap with the City. The structure of the swaption was such that the City would pay a specified fixed rate of 6.43% and receive a floating rate based on the one month LIBOR in exchange for annual option premium payments of \$250,000 from December 1, 2006 through December 1, 2025 from Morgan Stanley.

Credit Risk - As of September 30, 2007, the City was not exposed to credit risk because the swaption had a negative fair value. However, should interest rates change and the value of the swaption become positive, the City could be exposed to credit risk in the amount of the swaption’s fair value. The provisions of the swaption agreement contain certain counterparty requirements that mitigate the potential for credit risk to the City. For the swaption, if the Counterparty guarantor’s long-term

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

unsecured unsubordinated debt ratings are suspended by either Moody’s or Standard & Poor’s or ratings fall below “Baa3” or “BBB”-by Moody’s and Standard & Poor’s, respectively, the fair value of the associated swap will be fully collateralized with cash or securities. Collateral would be posted with an independent third party custodian. As of September 30, 2007, Morgan Stanley’s ratings have not fallen below these levels; therefore, the counterparty was not required to collateralize the swaption. The City is not required to collateralize the swaption.

Basis Risk - The execution of the swap on November 27, 2006 by Morgan Stanley exposed the City to Basis and Termination risk. Basis risk, under the swap agreement is based on payments the City received (% of the one-month LIBOR) compared to the payments the City pays to the bondholders. If the City pays out more than it receives in this exercise, the City is then subject to Basis Risk. With Termination Risk under the swap agreement, the City or the counterparty has the right to optionally terminate the agreement at any time. The termination amount owed by either the City or the counterparty is determined by market quotation at the time of termination; if the swap has a negative fair value the City is liable to the counterparty for a payment equal to the swap’s fair value.

Termination Risk - The swaption provides for certain events that could cause the counterparty of the City to terminate the swap. The swap may be terminated by the counterparty or the City if the other party fails to perform under the terms of the swap agreement. The City has the right to optionally terminate the swaption agreement at any time. The termination amount owed by either the City or the counterparty is determined by market quotation. If at the time of termination, the swap has a negative fair value, the City would be liable to the counterparty for a payment equal to the swap’s fair value.

Swap Payments and Associated Debt - Using rates at September 30, 2007, the Net, debt service requirements of the City's taxable variable-rate debt payments are as follows. As rates vary, variable-rate bond interest payments will vary:

| Fiscal Year Ending September 30, | Principal | Fixed Rate Bonds | Interest | Total Principal and Interest | Liquidity | Remarketing | Swap Receipt | Net Debt Service |
|--|----------------------|------------------------|----------------------|------------------------------------|-------------------|-------------------|-----------------------|------------------------|
| 2008 | \$ 1,605,000 | 6.430% | \$ 1,882,543 | \$ 3,487,543 | \$ 21,816 | \$ 15,686 | \$ (250,000) | \$ 3,275,045 |
| 2009 | 1,720,000 | 6.430% | 1,773,180 | 3,493,180 | 31,321 | 22,520 | (250,000) | 3,297,021 |
| 2010 | 1,840,000 | 6.430% | 1,656,154 | 3,496,154 | 29,341 | 21,096 | (250,000) | 3,296,590 |
| 2011 | 45,000 | 6.430% | 1,634,024 | 1,679,024 | 28,292 | 20,342 | (250,000) | 1,477,658 |
| 2012 | 50,000 | 6.430% | 1,630,862 | 1,680,862 | 28,239 | 20,304 | (250,000) | 1,479,405 |
| 2013 - 2017 | 305,000 | 6.430% | 8,098,639 | 8,403,639 | 14,252 | 100,842 | (1,250,000) | 7,268,733 |
| 2018 - 2022 | 4,630,000 | 6.430% | 7,754,044 | 12,384,044 | 135,894 | 97,708 | (1,250,000) | 11,367,646 |
| 2023 - 2026 | 20,420,000 | 6.430% | 2,299,261 | 22,719,261 | 47,360 | 34,052 | (1,000,000) | 21,800,673 |
| Total | \$ 30,615,000 | | \$ 26,728,707 | \$ 57,343,707 | \$ 336,515 | \$ 332,550 | \$ (4,750,000) | \$ 53,262,771 |

Purchase of Redemption Right

On November 10, 2004, Societe Generale, New York Branch, (the “Owner”), a beneficial owner of all Non-Ad Valorem Revenue Bonds Taxable Pension Series 1995 (the “Bonds”) of the City of Miami, Florida (the “City) maturing in the years 2015 and 2020 (the “2015 and 2020 Maturities”), finalized an Agreement with the City to pay \$295,000, annually on each December 1, commencing on December 1, 2005 and ending on December 1, 2025, in exchange for the City’s irrevocable agreement not to exercise its option of redemption with respect to the 2015 and 2020 maturities.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Capital Lease

The City has entered into a lease agreement as lessee for financing the acquisition of computer equipment. The lease agreement qualifies as a capital lease for accounting purposes and therefore has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through the capital lease are as follows:

| | |
|-------------------------------|--------------------------|
| Machinery and equipment | \$ 3,203,694 |
| Less accumulated depreciation | <u>(2,562,955)</u> |
| Total | <u><u>\$ 640,739</u></u> |

The future minimum lease obligations and the net present value of those minimum lease payments as of September 30, 2007, were as follows:

| <u>Year Ending</u> | <u>Amount</u> |
|--|--------------------------|
| Total minimum lease payments, September 30, 2008 | \$ 677,758 |
| Less: amount representing interest | <u>(19,036)</u> |
| Present value of minimum lease payments | <u><u>\$ 658,722</u></u> |

Discretely Presented Component Units Long-Term Debt

DOSP

The changes in DOSP’s long-term debt during 2007 were as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---------------------------------|------------------------------|-------------------|---------------------|---------------------------|--------------------------------|
| Bonds payable | \$ 49,725,000 | \$ - | \$ 740,000 | \$ 48,985,000 | \$ 770,000 |
| Deferred amounts | 75,703 | - | 8,412 | 67,291 | - |
| Compensated absences | 527,000 | 474,000 | 351,325 | 649,675 | 352,000 |
| Loan from primary government | 2,850,000 | - | 150,000 | 2,700,000 | 150,000 |
| | <u>\$ 53,177,703</u> | <u>\$ 474,000</u> | <u>\$ 1,249,737</u> | <u>\$ 52,401,966</u> | <u>\$ 1,272,000</u> |

The City has issued revenue bonds on behalf of DOSP. The principal and interest of the revenue bonds are payable solely from the revenues of the parking facilities and, accordingly, are included in the accounts of the DOSP.

The DOSP, on July 21, 2005, entered into a loan agreement with the City of Miami. The loan was obtained through CDBG program funds up to a maximum of \$3,000,000 to be used for the construction of a parking garage facility. Funds are disbursed on a reimbursement basis. The loan bears no interest and is payable in 40 semi-annual installments of \$75,000 starting December 1, 2005. As of September 30, 2007, DOSP has drawn \$3,000,000 of this loan. The balance as of September 30, 2007 is \$2,700,000.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

The following summarizes the debt service to maturity of outstanding DOSP debt at September 30, 2007:

| Year Ending September 30, | Bonds | | | Loan |
|--------------------------------------|----------------------|----------------------|----------------------|---------------------|
| | Principal | Interest | Total | Principal |
| 2008 | \$ 770,000 | \$ 2,250,645 | \$ 3,020,645 | \$ 150,000 |
| 2009 | 800,000 | 2,217,275 | 3,017,275 | 150,000 |
| 2010 | 835,000 | 2,181,705 | 3,016,705 | 150,000 |
| 2011 | 875,000 | 2,143,648 | 3,018,648 | 150,000 |
| 2012 | 910,000 | 2,101,210 | 3,011,210 | 150,000 |
| 2013-2017 | 5,300,000 | 9,709,353 | 15,009,353 | 1,950,000 |
| 2018-2022 | 6,735,000 | 8,109,241 | 14,844,241 | - |
| 2023-2027 | 8,490,000 | 6,325,786 | 14,815,786 | - |
| 2028-2032 | 10,725,000 | 4,100,031 | 14,825,031 | - |
| 2033-2037 | 13,545,000 | 1,289,529 | 14,834,529 | - |
| Total | \$ 48,985,000 | \$ 40,428,423 | \$ 89,413,423 | \$ 2,700,000 |
| | Range of Rates | <u>3.75%-5.25%</u> | | |

In prior years, the DOSP defeased, in substance, its 1993A Parking Facilities Revenue Bonds and at September 30, 2007, the outstanding balance of defeased bonds was \$2,540,000.

Derivative Disclosure

Objective of the Interest Rate Swap – As a means to lowering its borrowing costs, when compared against fixed-rate bonds at the time of issuance in March 2006, the DOSP entered into an interest rate swap agreement in connection with a portion of its tax-exempt variable rate bonds (\$34,740,000 of the \$36,805,000 tax-exempt bonds issued). The intention of the swap was to effectively change the Authority’s variable interest rate on the bonds to a synthetic fixed rate of 4.485%.

Terms – Under the swap, the DOSP pays the counterparty a fixed payment of 4.485% and receives a variable payment computed as BMA Municipal Swap Index. The swap has a notional amount of \$34.74 million and the associated variable-rate bonds have a \$36.805 million principal amount. The swap was entered into at the same time that the bonds were issued. Starting in fiscal year 2016, the notional value of the swap and the principal amount of the associated debt will begin to decline. The BMA Municipal Swap Index as of September 30, 2007 was 3.80%.

Fair Value – As of September 30, 2007, the swap had a negative value of \$2,594,098. The negative fair value of the swap may be countered by reductions in total interest payments required under the variable-rate bond, creating lower synthetic rates. Because the coupons on the government’s variable-rate bonds adjust to changing interest rates, the bonds do not have a corresponding fair value increase. The fair value was developed by a pricing service using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rate. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement of the swap.

Credit Risk – As of September 30, 2007, the DOSP was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the DOSP would be exposed to credit risk in the amount of the derivative’s fair value. As of September 30, 2007, the counterparty was rated A by Moody’s Investor Service, A by Standard & Poor’s and A+ by Fitch Ratings. To mitigate the potential for credit risk, if the counterparty’s credit quality falls below BBB- as issued by Fitch Ratings or Standard & Poor’s or a Baa3 as issued by Moody’s Investor

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Service, it will collateralize the swap liability to the DOSP with securities, consisting of obligations of the United States government, mortgage participation certificates of the Federal Home Mortgage Corporation, or the Federal National Mortgage Association, or such other securities as the parties mutually agree to. Collateral would be deposited with a third-party custodian.

Basis Risk – Municipal interest rate swaps are normally based on a fixed payment and an indexed variable receipt instead of the actual variable debt payment. Any difference between the indexed variable receipt and the accrual market-determined variable borrowing rate on bonds is called “basis-risk”. Under the swap, the DOSP will be paid the actual market-determined variable borrowing rate on the bonds is called “basis-risk”. Under the swap, the DOSP will be paid the actual market-determined variable borrowing rate on the swap, as determined by the remarketing agent, which eliminates the basis risk.

Termination Risk – The derivative contract used the International Swap Dealers Association Master Agreement “Master Agreement”, which includes standard termination events, such as failure to pay and bankruptcy. The schedule to the Master Agreement includes an “additional termination event”. That is, the DOSP may terminate the swap if the counterparty’s credit quality falls to BBB- as issued by Fitch Ratings or Standard & Poor’s or Baa3 as issued by Moody’s Investor Service. The DOSP or the counter party may terminate the swap if the other party fails to perform under the terms of the contract. If the swap were terminated, the variable rate bond would no longer carry a synthetic interest rate. In addition, if at the time of the termination the swap has a negative fair value, the DOSP would be liable to the counterparty for a payment equal to the swap’s fair value.

The interest rate swap agreement does not affect the obligation of the DOSP under the indenture to repay the principal and variable interest on the Series 2006 Parking Revenue Bonds. However, during the term of the swap agreement, the DOSP effectively pays a fixed rate on the debt. The debt service requirements to maturity for these bonds are based on that fixed rate. The DOSP will be exposed to variable rates if the counter party to the swap defaults or if the swap agreement is terminated. A termination of the swap agreement may also result in the DOSP making or receiving a termination payment.

Swap Payments and Associated Debt - Using rates at September 30, 2007, the debt service requirements of the DOSP’s tax-exempt variable-rate debt and net swap payments are as follows. As rates vary, variable-rate bond interest payments and net swap payments will vary:

| Fiscal Year Ending September 30, | Principal | Interest | Interest Rate Swap, Net | Total |
|---|----------------------|----------------------|------------------------------------|----------------------|
| 2008 | \$ - | \$ 1,422,881 | \$ 236,579 | \$ 1,659,460 |
| 2009 | - | 1,422,881 | 236,579 | 1,659,460 |
| 2010 | - | 1,422,881 | 236,579 | 1,659,460 |
| 2011 | - | 1,422,881 | 236,579 | 1,659,460 |
| 2012 | - | 1,422,881 | 236,579 | 1,659,460 |
| 2013-2017 | 475,000 | 7,096,042 | 1,182,216 | 8,753,258 |
| 2018-2022 | 3,570,000 | 6,686,054 | 1,159,777 | 11,415,831 |
| 2023-2027 | 8,490,000 | 5,378,379 | 947,407 | 14,815,786 |
| 2028-2032 | 10,725,000 | 3,485,973 | 614,058 | 14,825,031 |
| 2033-2037 | 13,545,000 | 1,096,397 | 193,132 | 14,834,529 |
| | \$ 36,805,000 | \$ 30,857,250 | \$ 5,279,485 | \$ 72,941,735 |

NOTE 10. – SELF-INSURANCE

A. Risk Management

The City is self insured for its liability program subject to, and in accordance with, the limitations set forth by Florida Statutes 768.28. The City has in place a commercial property program providing blanket real estate and personal property coverage on all City-owned properties. There has not been a significant reduction in insurance coverage from the previous year. Settled claims have not exceeded reserves in the past three years. The General Fund accounts for all risks of loss to which the City is exposed, including public liability, workers’ compensation, property and casualty, and employee health and accident-related losses. Certain employees and retirees of the City contribute, through payroll deductions or deductions from pension payments, to the cost of group benefits.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated based on an independent actuarial valuation. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The process used in computing claims liability is based on actuary and legal calculations and does not necessarily result in an exact amount because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, frequency of claims, and other economic and social factors.

The City maintains excess coverage with independent insurance carriers for the worker’s compensation, police torts, auto liability, public officials’ liability, and general liability self-insurance programs. Premiums are charged to the Risk Management Department and are determined based on amounts necessary to provide funding for current losses and to meet the required annual payments during the fiscal year. The property insurance program provides coverage for windstorm and hail subject to a 5% of the total values at the time of loss at each location involved in the loss, subject to a minimum of \$250,000 deductible for any one occurrence.

At September 30, 2007, the total estimated liability of \$141,603,838 is discounted at an interest rate of 5% and recorded in the government-wide financial statements. Changes in the claims liability amount in 2006 and 2007 were as follows:

| Fiscal Year Ended September 30, | Beginning of Fiscal Year Liability | Current Year Claims and Changes in estimates | Claims Payments | Balance at Fiscal Year End |
|--|---|---|------------------------|-----------------------------------|
| 2006 | \$ 117,813,731 | \$ 29,858,842 | \$ 24,996,460 | \$ 122,676,113 |
| 2007 | 122,676,113 | 48,177,991 | 29,250,266 | 141,603,838 |

NOTE 11. – PENSIONS

The City sponsors separate single-employer, defined benefit pension plans under the administration and management of separate Boards of Trustees: The City of Miami Fire Fighters and Police Officers Retirement Trust ("FIPO"), the City of Miami General Employees and Sanitation Employees Retirement Trust ("GESE") and Other Managed Trusts, and the City of Miami Elected Officers Retirement Trust (EORT).

Basis of Accounting

The financial statements for the Plans are prepared using the accrual basis of accounting. All plans are reported as pension trust funds in the City's financial statements. Plan member contributions are recognized in the period which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

Method Used to Value Investments

Investments of the Plans are recorded at fair market value. Securities traded on a national exchange are valued at the last reported sales price on the last business day of the fiscal year. Securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the last reported bid price. Commercial paper, time deposits and short-term investment pools are valued at fair market value and mortgages are valued based on current market yield which approximates fair value. Net appreciation (depreciation) in fair value of investments includes realized and unrealized gains and losses. Interest and dividends are reported as investment earnings. Realized gains and losses on the sale of investments are based on average cost.

FIPO

Plan Description

FIPO is a single-employer, defined benefit plan established by the City pursuant to the provisions and requirements of Ordinance No. 10002 as amended. Participants are contributing police officers and firefighters with full-time employment status in the Police or Fire Department of the City.

At October 1, 2007, the date of the most recent actuarial valuation, membership in the FIPO consisted of 1,864 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them; current employees equaled 1,465 as of that date.

Separate audited financial statements are provided for FIPO and can be obtained from the pension board at: FIPO, 1895 SW 3rd Avenue, Miami, Florida, 33129.

Pension Benefits

Effective October 1, 1998, members may elect to retire after 10 or more years of creditable service upon attainment of normal retirement age. Normal retirement age for members shall be 50 years of age. A member exercising normal service retirement or rule of 64 retirement (computation of service retirement on the basis of his or her combined age and creditable service equaling 64) shall be entitled to receive a retirement allowance equal to 3% of the member's average final compensation multiplied by the years of creditable service for the first 15 years of such creditable service and 3.5% of average final compensation for years of creditable service in excess of 15 years, payable in monthly installments. Early retirement after twenty years of service is available. Benefits for disability and death are also provided under the plan.

Cost of Living Adjustment (COLA)

Effective January 1, 1994, the FIPO Trust entered into an agreement with the City with regards to the funding methods, employee benefits, employee contributions, and retiree COLA. Members no longer contribute to the original COLA account (COLA I); a new COLA account (COLA II) was established. The agreement included the following: (a) the funding method was changed to an aggregate cost method, (b) all accounts were combined for investment purposes (membership and benefit, COLA I, and COLA II), (c) retirees receive additional COLA benefits, and (d) active members no longer contribute 2% of pretax earnings to fund the original retiree COLA account (COLA I).

The COLA II account is funded annually by a percentage of the excess investment return from the COLA I account assets. The excess earnings contributed to the COLA II account are used to fund a minimum annual payment of \$2.5 million, increasing by 4% compounded annually. To the extent necessary, the City will fund the portion of the minimum annual payment not funded by the annual excess earnings no later than January 1 of the following year.

Benefits payable from the COLA accounts are computed in accordance with an actuarially based formula as defined in Section 40.204 of the City of Miami Code. Benefits are subject to review and modification in accordance with City of Miami Code Section 40.204, which provides that all other matters regarding the COLA accounts shall be determined by negotiations between the City, the Board of Trustees and the bargaining representatives of the International Association of Fire Fighters (IAFF) and the Fraternal Order of Police (FOP).

Deferred Retirement Option Plan (DROP)

Members who are eligible for service retirement or Rule of 64 after September 1998 may elect to enter the DROP for a maximum of 36 months prior to October 1, 2001. Effective October 1, 2001, maximum participation in the DROP for firefighters shall be 48 full months and for police officers who elect the DROP on October 1, 2003, or thereafter, maximum participation in the DROP shall be 48 full months.

A member's creditable service, accrued benefit, and compensation calculation is frozen upon commencement of participation in the DROP; the participant's and City's contribution to the FIPO Trust for that participant ceases as the participant will not earn further creditable service for pension purposes. Effective October 1, 2001, firefighter DROP participants may also continue City employment for up to 48 months (36 months prior to October 1, 2001). Police officers who elect the DROP on or after October 1, 2003, may continue City employment for up to 48 full months (36 full months prior to October 1, 2003). No payment is made to or for the benefit of a DROP participant beyond that period. For persons

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

electing participation in the DROP, an individual DROP account is created. Payment is made by the FIPO Trust into the employee's DROP account in an amount equal to the regular monthly retirement benefit, which the participant would have received had the participant separated from service and commenced receipt of pension benefits. Payments received by participants in the DROP accounts are tax deferred. A series of investment vehicles, as established by FIPO's Board of Trustees, are made available to DROP participants to choose from. Any losses, charges, or expenses incurred by the participant in his or her respective drop account are borne solely by the participant. Upon termination of employment, a member may receive distribution from the DROP account in the following manner: 1) lump sum, 2) periodic payments, 3) annuity, or 4) rollover of the balance to another qualified retirement plan. Any member may defer distribution until the latest date authorized by Section 401(a) (9) of the Internal Revenue Code.

DROP participants are not entitled to receive an ordinary or service disability retirement and in the event of death of a DROP participant, there is no accidental death benefit for pension purposes. DROP participation does not affect any other death or disability benefit provided to a member under federal law, state law, City ordinance, or any rights or benefits under any applicable collective bargaining agreement.

The DROP of the FIPO Trust also consists of a Benefit Actuarially Calculated DROP (BACDROP). A member may elect to BACDROP to a date no further than the date of their retirement eligibility date. The BACDROP period must be in 12 months increments, beginning at the start of a pay period, not to exceed 48 full months for firefighters (36 months prior to October 1, 2001) and for police officers who elected DROP on October 1, 2003 (36 months prior to October 1, 2003). Participation in the BACDROP does not preclude participation in the forward DROP.

Contributions and Funding Policies

Members of FIPO are required to contribute 7% of their salary on a bi-weekly basis. The City is required to contribute such amounts annually as necessary to maintain the actuarial soundness of the plan and to provide FIPO with assets sufficient to meet the benefits to be paid to participants. Contributions to FIPO are authorized pursuant to City of Miami Code Sections 40.196 (a) and (b). Contributions to the FIPO Cost of Living Adjustment Accounts are authorized pursuant to Section 40.204 of the City of Miami Code. The City's contributions to FIPO provide for non-investment expenses and normal costs. The yield on investments on FIPO serves to reduce future contributions that would otherwise be required to provide for the defined level of benefits under the Trust.

The payroll for employees covered by FIPO for the year ended September 30, 2007 was approximately \$117.9 million; the City's total payroll was \$296,509,355.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Annual Pension Cost

The City’s current year contribution was determined through an actuarial valuation performed as of October 1, 2006. Significant actuarial assumptions used to compute the annual contribution requirement are as follows:

Valuation date: October 1, 2006
 Actuarial cost method: Aggregate Cost Method
 Amortization method: Not Applicable
 Remaining amortization period: Not Applicable
 Asset valuation method: 20% Write-Up Method: Expected value is based on the Interest Discount/Investment Return rate applied to the actuarial asset value as of previous valuation date and cash flow during the year. 20% of the difference between Expected Value and the Market Value (net of pending transfers to the COLA Fund) is added to the Expected Value.

Actuarial assumptions

Investment rate of return: 7.75%
 Projected salary increases due to inflation: 4.00%
 Mortality table: Ga94 - Mortality table
 Mortality, disability, retirement and turnover: Pension Benefit Guaranty Corporation (PBGC) Non-OASDI basis rate tables

FIPO contributions are determined using the aggregate cost method. The aggregate cost method does not identify and separately amortize the unfunded actuarial liabilities. The annual pension cost is equal to the annual required contribution each year.

Three Year Trend Information

| Year Ended September 30 | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|------------------------------------|--------------------------------------|--|-----------------------------------|
| 2005 | \$ 45,545,130 | 100% | \$ - |
| 2006 | 50,635,213 | 100% | - |
| 2007 | 40,542,078 | 100% | - |

GESE

The Board of Trustees of the City of Miami General Employees and Sanitation Employees (GESE) Retirement Trust administers three defined benefit pension plans - (1) City of Miami General Employees and Sanitation Employees Retirement Trust (“GESE Trust”), (2) an Excess Benefit Plan for the City of Miami and (3) City of Miami General Employees and Sanitation Employees Retirement Trust Staff Pension Plan (“Staff Trust”). Each plan’s assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

Separate audited financial statements are provided for the GESE Plans and can be obtained from the pension board at: GESE, 2901 Bridgeport Avenue, Coconut Grove, Florida 33133.

City of Miami General Employees and Sanitation Employees Retirement Trust (GESE Trust)

Plan Description

The GESE Trust is a single-employer defined benefit plan. The GESE Trust was established pursuant to the City of Miami Ordinance No. 10002 and subsequently revised under City of Miami Ordinance No. 12111. The GESE Trust covers all City of Miami general and sanitation employees except certain employees eligible to decline membership. Participation in the GESE Trust is a mandatory condition of employment for all regular and permanent employees other than fire fighters, police officers, and those eligible to decline membership, as defined by the Ordinance.

At October 1, 2007, the date of the most recent actuarial valuation, membership in the GESE Trust consisted of 1,906 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them; current employees equaled 1,710 as of that date.

Pension Benefits

The minimum normal retirement age is 55. A member who has completed a combination of at least 10 or more years of creditable service plus attained age equaling 70 points may elect a rule of 70 retirement. Any member in service who has 10 or more years of continuous creditable service may elect to retire upon the attainment of normal retirement age. Retirement benefits are generally based on 3% of the average final compensation multiplied by years of creditable service, which is paid annually in monthly installments. Early retirement, disability, death, and other benefits are also provided as defined in City of Miami Ordinance No. 12111.

Members eligible to receive accumulated sick and vacation leave from the City of Miami are able to transfer the amount to an eligible retirement plan. The GESE Trust facilitates the transfer of the accumulated sick and vacation leave to any eligible retirement plan and is pursuant to City of Miami Code Section 40-266.

Cost of Living Adjustment (COLA)

Effective October 1, 1998, the Plan was amended to provide for an increase in the COLA paid to retirees to 4% with a \$400 annual maximum increase, provided the retiree's first anniversary of retirement has been reached. The amendment also provided for retirees electing the return of contribution option to receive a minimum COLA benefit of \$27 per year and a maximum COLA benefit of \$200 added to the previous COLA benefit, provided the retiree's first anniversary of retirement has been reached.

Deferred Retirement Option Plan (DROP)

The City of Miami General Employees and Sanitation Employees Retirement Trust made the DROP available to all GESE Trust members effective May 1, 2002. The DROP is an enhancement to the GESE Retirement Trust that can provide a trust member with another way to save for retirement. It allows a participant to receive pension payments by depositing in the DROP program while continuing to work and receive pay and benefits as an active employee. At the end of the DROP period, when the participant is officially required to retire, the participant receives monthly pension payments based on the years of service and salary at the time that the participant enrolled in the DROP. In addition, the participant also receives the accumulated DROP account balance. The DROP monies can also be rolled over into a tax-qualified plan such as an Individual Retirement Account (IRA) or 457(b) government sponsored deferred compensation plan.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

Contributions and Funding Policies

Members of the GESE Trust are required to contribute 10% of their salary on a bi-weekly basis. The Trusts’ funding policies provide for periodic contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to maintain the actuarial soundness of the Trust and to accumulate sufficient assets to pay benefits when due. The City is required to contribute an actuarially determined amount that, when combined with participants’ contributions, will fully provide all benefits as they become payable. Contributions to the GESE Trust are authorized pursuant to City of Miami Code Section 40-241 (a) and (b). Contributions from the City are designed to fund the GESE Trust’s non-investment expenses and normal costs and to fund the unfunded actuarial accrued liability. The yield (interest, dividends, and net realized and unrealized gains and losses) on investments of the Trust serves to reduce or increase future contributions that would otherwise be required to provide for the defined level of benefits under the GESE Trust.

The payroll for employees covered by the GESE Trust for the year ended September 30, 2007 was approximately \$87.1 million; the City's total payroll was \$296,509,355.

Annual Pension Cost

The City’s current year contribution was determined through an actuarial valuation performed as of October 1, 2005. Significant actuarial assumptions used to compute the annual contribution requirement are as follows:

| | |
|--------------------------------|---|
| Valuation date: | October 1, 2005 |
| Actuarial cost method: | Modified entry age normal |
| Amortization method: | Level dollar amount, closed |
| Remaining amortization period: | 12-18 years |
| Asset valuation method: | Moving market value of assets averaged over 3 years |
| <u>Actuarial assumptions</u> | |
| Investment rate of return: | 8.10% |
| Projected salary increases: | 5.00% |
| Includes inflation at: | 3.50% |
| Cost of living adjustments: | 4% per year, with \$54 per year minimum and \$400 per year maximum. |

GESE Trust contributions are determined using the entry age normal cost method with frozen actuarial accrued liability. The annual pension cost is equal to the annual required contribution each year.

Three Year Trend Information

| Year Ended September 30 | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|------------------------------------|--------------------------------------|--|-----------------------------------|
| 2005 | \$ 19,003,415 | 100% | \$ - |
| 2006 | 22,018,443 | 100% | - |
| 2007 | 24,229,028 | 100% | - |

GESE Excess Benefit Plan

Plan Description

The City of Miami Commission, in July 2000, pursuant to applicable Internal Revenue Code provisions, established a qualified governmental excess benefit plan to continue to cover the difference between the allowable pension to be paid and the amount of the defined benefit so the benefits for eligible members are not diminished by changes in the Internal Revenue Code. The Board of Trustees of the Trust administers the excess benefit plan. Plan members are not required to contribute to the Excess Benefit Plan. Members of the GESE Trust participate in this Plan.

At October 1, 2007, the date of the most recent actuarial valuation, membership in the Excess Benefit Plan, consisted of 40 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them and there are no current employees in the plan.

Contributions and Funding Policies

The payment of the City's contribution of excess retirement benefits for eligible members of the Plan above the limits permitted by the Internal Revenue Code is: (a) funded from the City's General Fund, (b) paid annually concurrently with the City's annual contribution to normal pension costs which causes the City to realize a reduction in normal pension costs in the same amount, and (c) deposited in a separate account established specifically for the GESE Trust to receive the City's excess retirement benefit contributions. This account is separate and apart from the accounts established to receive the City's normal pension contributions for the GESE Trust. The City is required to contribute amounts as benefits become payable.

The payroll for employees covered by the Excess Benefit Plan for the year ended September 30, 2007 was approximately \$87.1 million; the City's total payroll was \$296,509,355.

Annual Pension Cost and Net Pension Obligation

The City's current year contribution was determined through an actuarial valuation performed as of October 1, 2006. Significant actuarial assumptions used to compute the annual contribution requirement are as follows:

| | |
|--------------------------------|-----------------------------|
| Valuation date: | October 1, 2006 |
| Actuarial cost method: | Modified entry age normal |
| Amortization method: | Level dollar amount, closed |
| Remaining amortization period: | 24 years |
| Asset valuation method: | Not Applicable |
| <u>Actuarial assumptions</u> | |
| Investment rate of return: | 8.10% |
| Projected salary increases | 5.25% |
| Includes inflation at: | 3.50% |
| Cost of living adjustment | None |

GESE Excess Plan contributions are determined using the entry age normal cost method with frozen actuarial accrued liability.

Three Year Trend Information

| Year Ended September 30 | Annual Required Contribution (ARC) | Percentage of ARC Contributed | Net Pension Obligation |
|------------------------------------|---|--|-----------------------------------|
| 2005 | \$ 818,446 | 58% | \$ 3,265,393 |
| 2006 | 824,766 | 56% | 3,583,015 |
| 2007 | 823,371 | 58% | 3,877,208 |

The City’s annual pension cost and net pension obligation to the GESE Excess Plan for the current fiscal year was as follows:

| | |
|--|----------------------------|
| Annual required contribution | \$ 823,371 |
| Interest on net pension obligation | 290,224 |
| Adjustment to annual required contribution | <u>(343,150)</u> |
| Annual pension cost | 770,445 |
| Contributions made | <u>(476,252)</u> |
| Increase in net pension obligation | 294,193 |
| Net pension obligation, beginning of year | <u>3,583,015</u> |
| Net pension obligation, end of year | <u><u>\$ 3,877,208</u></u> |

City of Miami General Employees and Sanitation Employees Retirement Trust (Staff Trust)

Plan Description

The Staff Trust is a single-employer, defined benefit plan. The Staff Trust was established by the rule-making authority of the GESE Retirement Trust, pursuant to Chapter 40 of the Miami City Code. The Staff Trust covers all administrative full-time employees and other positions as may be named by the Board of Trustees. Participation in the Staff Trust is a mandatory condition of employment for all full-time employees, other than those eligible to decline membership, as defined by the Plan document.

At October 1, 2007, the date of the most recent actuarial valuation, membership in the Staff Trust had no retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them; current employees equaled 12 as of that date.

Pension Benefits

Any member who has 10 or more years of continuous creditable service may elect to retire, regardless of age. Retirement benefits are generally based on 3% of the average final compensation multiplied by years of creditable service, which is paid annually in monthly installments.

Contributions and Funding Policies

Members of the Plan are required to contribute 10% of their salary on a bi-weekly basis. The funding policies of the Plan provide for periodic contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to maintain the actuarial soundness of the Trust and to accumulate sufficient assets to pay benefits when due. The City is required to contribute an actuarially determined amount that, when combined with participants’ contributions, will fully provide all benefits as they become payable. The yield (interest, dividends, and net realized and unrealized gains and losses)

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

on investments of the Staff Trust serves to reduce or increase future contributions that would otherwise be required to provide for the defined level of benefits under the Staff Trust.

The payroll for employees covered by the Staff Trust for the year ended September 30, 2007 was approximately \$643,770; the City's total payroll was \$296,509,355.

Annual Pension Cost

The City’s current year contribution was determined through an actuarial valuation performed as of October 1, 2006. Significant actuarial assumptions used to compute the contribution requirements are as follows:

| | |
|--------------------------------|---|
| Valuation date: | October 1, 2006 |
| Actuarial cost method: | Modified entry age normal |
| Amortization method: | Level dollar amount, closed |
| Remaining amortization period: | 10 - 24 years |
| Asset valuation method: | Moving market value of assets averaged over 3 years |
| <u>Actuarial assumptions</u> | |
| Investment rate of return: | 8.10% |
| Projected salary increases: | 6.00% |
| Includes inflation at: | 3.50% |
| Cost of living adjustments: | None |

Staff Trust contributions are determined using the entry age normal cost method with frozen actuarial accrued liability. The annual pension cost is equal to the annual required contribution each year.

Three Year Trend Information

| Year Ended September 30 | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|------------------------------------|--------------------------------------|--|-----------------------------------|
| 2007 | \$ 57,995 | 100% | \$ - |
| 2006 | 72,380 | 100% | - |
| 2005 | 99,779 | 100% | - |

Elected Officers Retirement Trust (EORT)

Plan Description

The City’s elected officials participate in a single-employer, defined benefit pension plan under the administration and management of a separate Board of Trustees, the City of Miami Elected Officers Retirement Trust (“EORT”). Under the EORT Plan, eligibility requires 7 years of total service as an elected official of the City to be vested without requiring that such service be continuous. This plan is non-contributory.

The City of Miami Commission, in July 2000, pursuant to applicable Internal Revenue Code provisions, established qualified governmental excess benefit plans to continue to cover the difference between the allowable pension to be paid, and the amount of the defined benefit, so the benefits for eligible members are not diminished by changes in the Internal Revenue Code. The Plan EORT Fiduciary administers the excess benefit plan.

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

At December 31, 2006, the date of the most recent actuarial valuation, membership in the EORT consisted of 6 retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them; current employees equaled 6 as of that date.

The EORT does not issue separate financial statements.

Pension Benefits

Benefits accrue for City Commissioners at the rate of 50% of the highest annual W-2 wages in the last three years of employment after 7 years of service as an elected official of the City plus 5% for each additional year up to 100% at 17 or more years of service. An active participant will be fully vested upon death and a single sum death benefit is payable.

Contributions and Funding Policies

Funding is in level payments under the individual aggregate cost method. Assets are allocated first to the nonactive participants, then to the active participants based on their accrued liability. The unfunded present value of future benefits is determined for each individual and spread over their expected future working lifetime with the City. All funding is provided by the City. There are no participant contributions to the Trust.

The payroll for employees covered by EORT for the year ended September 30, 2007 was approximately \$715,931; the City's total payroll was \$296,509,355.

Annual Pension Cost

The City's current year contribution was determined through an actuarial valuation determined as of December 31, 2005. Significant actuarial assumptions used to compute the annual contribution requirement are as follows:

| | |
|---------------------------------------|---|
| Valuation date: | December 31, 2006 |
| Actuarial cost method: | Individual Aggregate Cost Method |
| Amortization method: | Not Applicable |
| Remaining amortization period: | Not Applicable |
| Asset valuation method: | September 30 market value projected to December 31 |
| <u>Actuarial assumptions</u> | |
| Investment rate of return: | 6.00% |
| Projected salary increases: | |
| Inflation: | N/A |
| Merit, longevity, etc: | N/A |
| Mortality table: | 1983 male group annuity mortality table without setback |
| Disability, turnover and retirements: | No disability or turnover assumed. Retirement is assumed at the end of the current term or 100% vested. |

EORT contributions are determined using the aggregate cost method. This method does not separately identify and amortize unfunded actuarial liabilities. The following contributions were made to EORT in accordance with actuarially determined contribution requirements, based on the actuarial valuation performed for each respective year: The annual pension cost is equal to the annual required contribution

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

each year. As such, the three year trend information is combined with the six year required supplementary information as follows:

| Year Ended September 30 | Annual Pension Cost (APC) and Annual Required Contribution | Percentage Contributed | Net Pension Obligation |
|------------------------------------|---|-----------------------------------|-----------------------------------|
| 2007 | \$ 285,408 | 100% | \$ - |
| 2006 | 1,043,209 | 100% | - |
| 2005 | 300,000 | 100% | - |
| 2004 | 300,000 | 100% | - |
| 2003 | 265,287 | 100% | - |
| 2002 | 220,837 | 100% | - |

The EORT does not issue separate stand-alone financial statements, and therefore, included below is the Statement of Fiduciary Net Assets and the Statement of Changes in Fiduciary Net Assets for the year ended September 30, 2007:

Statement of Fiduciary Net Assets

| | |
|------------------------------------|----------------------------|
| Assets | |
| Cash and Short-Term Investments | \$ 175 |
| Investments, at fair value | |
| U.S. Government Obligations | 2,144,885 |
| Money Market Funds | 1,406,601 |
| Total Investments | <u>3,551,486</u> |
| Total Assets | <u>3,551,661</u> |
| Net Assets | |
| Held in Trust for Pension Benefits | <u><u>\$ 3,551,661</u></u> |

Statement of Changes in Fiduciary Net Assets

| | |
|---------------------------------------|----------------------------|
| Additions | |
| Contributions: | |
| Employer | \$ 285,408 |
| Investment Earnings: | |
| Interest | 152,369 |
| Total Additions | <u>437,777</u> |
| Deductions | |
| Benefits | 128,281 |
| Total Deductions | <u>128,281</u> |
| Change in Net Assets | 309,496 |
| Net Assets - Beginning of Year | 3,242,165 |
| Net Assets - End of Year | <u><u>\$ 3,551,661</u></u> |

Special Benefit Plans

Certain executive employees of the City are allowed to join the ICMA Retirement Trust's 401(a) plan. This defined contribution deferred compensation plan, which covers governmental employees throughout the country, is governed by a Board of Directors responsible for carrying out the overall management of the organization, including investment administration and regulatory compliance. Membership for City employees is limited by the City Code to specific members of the City Clerk, City Manager, and City Attorney's offices, Department Directors, Assistant Directors, and other executives. To participate in the plan a written trust agreement must be executed, which requires the City to contribute 8% of the individual's earnable compensation, and the employee to contribute 10% of their salary. Participants may withdraw funds at retirement or upon separation based on a variety of payout options.

The following information relates to the City participation in this plan:

| | |
|--|----------------|
| Total current year's payroll for all employees | \$ 296,509,355 |
| Current year's payroll for participating employees | 6,666,186 |
| Current year employer contributions | 678,350 |

In addition to coverage under the FIPO Pension Plan, City of Miami fire fighters and police officers are members of two separate non-contributory money purchase benefit plans established under the provisions of Florida Statutes, Chapters 175 and 185, respectively. These two plans are funded solely from the proceeds of certain excise taxes levied by the City and imposed upon property and casualty insurance coverage within the City limits. This tax, which is collected from insurers by the State of Florida, is remitted directly to the plans' Boards of Trustees. The City is entitled to levy such excise taxes solely for the use of the money purchase benefit plans as long as the minimum benefit provisions of Florida Statutes, Chapters 175 and 185 are met by FIPO. The City does not have any fiduciary responsibility relating to the plans and is currently under no obligation to make further contributions to the plans. The total of such excise taxes received from the State of Florida and remitted to the plans was \$11,823,247 for the year ended September 30, 2007. Accordingly, these monies are recorded as pass through funds in the City's financial statements. Benefits are allocated to the participants based upon their service during the year and the level of funding received during said year. Participants are fully vested after nine years of service. Upon termination of service, a participant may elect to receive one of three options: 1) a lump sum payment, 2) five substantially equal payments, or 3) 10% or more in the first year and the remainder in any way over the next four years. The total must be paid out within five years.

NOTE 12. – POST-EMPLOYMENT HEALTH CARE BENEFITS

In addition to providing pension benefits, the City offers to its retirees comprehensive medical coverage and life benefits through the City's self-insurance plan. This plan was established in accordance with Florida State Statute Section 112.0801 "Group Insurance: Participation by Retired Employees". Substantially all of the City's general employees, police and firefighters may become eligible for those benefits when they reach normal retirement age while working for the City (approximately 1735 of the 4,136 covered participants are retirees). The City's cost of the post-employment health benefits, funded on a pay-as-you-go basis, was approximately \$5,165,918 for the year ended September 30, 2007.

The Fraternal Order of Police (FOP) sponsors a Health Insurance Trust that is partially self-insured, which provides life, health, and accidental death and dismemberment insurance to substantially all full-

time sworn members of the City of Miami Police Department, eligible retirees, their families and beneficiaries. The Trust receives a significant source of its funding from the City, pursuant to the terms of a collective bargaining agreement. The agreement requires the City to reimburse the FOP Health Trust an amount that is required to bring the Trust's available fund balance to \$2.35 million. The City funded its contribution under terms of the agreement in the amount of \$5,682,858 for the current year.

NOTE 13. – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

Commitments and Contingencies

The City participates in a number of federal and state assisted programs. These programs are subject to audit under the requirements of the Single Audit Act and Chapter 10.650, Rules of the Auditor General. The City anticipates no material adverse findings.

In September 1998, the City of Miami entered into a joint participation agreement with Miami-Dade County regarding a \$25 million United States Housing and Urban Development Section 108 loan for the construction of Parrot Jungle Island & Gardens. The agreement required the City to assume 80% of the guarantee of the loan contingent upon certain conditions precedent. The conditions precedent, among other things, included provisions that the Parrot Jungle Island & Gardens loan be both current and not in default at the time the City assumes its guarantee and that Miami-Dade County deliver to the City of Miami loan documents that have been properly assigned, endorsed, and transferred without recourse to the City.

During the current fiscal year, the City made a payment to Miami-Dade County in the amount of \$1,356,731, representing eighty percent (80%) of the Section 108 Loan payment due by the County to U.S. HUD on August 1, 2006. The City paid \$1,422,652 in interest and \$800,000 in principal payments in fiscal year 2007. The City has entered into a loan participation agreement with Miami-Dade County whereby the City assumed 80% of the loan obligation. Final maturity on this loan is in 2019.

Litigation

The City is involved in various lawsuits arising in the ordinary course of operations. Although the outcome of these matters is not presently determinable, it is the opinion of management of the City based upon consultation with legal counsel, that the outcome of these matters will not have an adverse material affect on the financial position of the City.

NOTE 14. – SUBSEQUENT EVENTS

Debt Service:

On October 3, 2007, the City obtained a \$6,600,000 loan from the Sunshine State Governmental Financing Commission under Loan Program Series 1986 for the purpose of financing various capital projects. This is a variable rate loan maturing in 2016. The Sunshine State Governmental Financing Commission is a legal entity through interlocal agreements among the State of Florida, counties and local municipalities. The City has covenanted to budget and appropriate in its annual budget and to pay when due non-ad valorem revenues sufficient to satisfy the required loan payment.

On December 5, 2007, the City issued \$80,000,000 in Special Obligation Bonds, Series 2007 for the purpose of financing various street and sidewalk capital improvement projects. The bonds were issued with interest rates ranging from 3.500% to 5.25% maturing from year 2008 through 2031. The bonds are to be repaid by certain designated revenues or derived from ad valorem taxes.

On May 15, 2008, The City of Miami, Health Facilities Authority issued \$36,420,000 Health System Revenue Bonds Catholic Health East Series 2008 (Conduit Debt). The proceeds of this issue will be used to refinance City of Miami, Health Facilities Authority Series 2006 Bonds. These bonds were issued with a variable interest rate maturing from 2008 through 2025. The bonds are to be repaid solely from revenues generated by the Catholic Health East and will not constitute a liability of the City of Miami.

International Police Training Facility and Law Enforcement High School:

On November 9, 2007, the City Commission adopted Resolution No. R-07-0650 to authorize the design, construction, funding and contingencies of a co-located International Police Training Facility and Law Enforcement High School on City-owned property located at 405 Northwest 3rd Avenue (known as the "College of Policing and Forensic High School") with The School Board of Miami-Dade County (the "School Board") in an amount not to exceed \$37,470,000, and authorized the City Manager to execute an Interlocal Agreement with the School Board and all other necessary agreements. On December 19, 2007, the School Board approved a contribution cost for the School Board of an amount not to exceed \$14,300,000 and authorized a Guaranteed Maximum Price Agreement for construction of the College of Policing and Forensic High School in the total amount of \$35,400,000.

As of April 14th, 2008, the City and the School Board executed the Interlocal Agreement, which provides that if either party requests any change order(s) that increase the price of the construction of the College of Policing and Forensic High School, that the party requesting the change is responsible for covering the increased costs. As of April 14th, 2008, the City, the School Board, and SunTrust Bank as Escrow Agent, and as acknowledged and agreed by Pirtle Construction Company entered into an Escrow Deposit Agreement whereby the City funded \$23,510,000 and the School Board funded \$11,890,000 into the construction escrow sub-accounts for the construction costs of the College of Policing and Forensic High School. The construction of the College of Policing and Forensic High School is ongoing.

Global Agreement:

In December 2007, the City, the County, the OMNI CRA, and the Southeast Overtown Park West CRA, entered into an inter-local agreement that establishes the funding framework for the several major facilities and infrastructure improvement projects. Those projects include the Arsht Performing Arts Center, Miami Port Tunnel, Museum Park improvements, and a Major League Baseball Stadium.

The agreement specifically calls for the OMNI CRA to increase its contribution to the County to service debt and other loans on the Arsht Performing Art Center. Further, the agreement established parameters by which the City, County, and CRAs would move forward with the legal process of extending the lives and expanding the geographic boundaries of both CRAs, and utilizing the additional tax increment fund to finance affordable housing, infrastructure, and redevelopment projects consistent with the CRAs' redevelopment plans. The additional OMNI CRA tax increment could also be used to finance the City's contributions to the Miami Port Tunnel project and the Museum Park improvements. Finally, the

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

agreement documents the City's and County's intentions to move forward with the development of a binding baseball stadium agreement, for a stadium to be built at the existing Orange Bowl location.

State Board of Administration's Local Government Surplus Funds:

At September 30, 2007, the discretely presented component units were invested in the State Board of Administration's Local Government Surplus Funds Trust Fund Investment Pool the following amounts:

| Discretely Presented Component Units | Balance |
|---|----------------|
| Miami Sports Authority | \$ 10,368,118 |
| Department of Off-Street Parking | 982,000 |
| Bay Front Park | 4,018,986 |

On November 29, 2007, the State Board of Administration implemented a temporary freeze on the assets held in the Pool due to an unprecedented amount of withdrawals from the Fund coupled with the absence of market liquidity for certain securities within the Pool. The significant amount of withdrawal followed reports that the Pool held asset-backed commercial paper that was subject to sub prime mortgage risk. On December 4, 2007, based on recommendations from an outside financial advisor, the State Board of Administration restructured the Pool into two separate pools. Pool A consisted of all money market appropriate assets, which was approximately \$12 billion or 86% of Pool assets. Pool B consisted of assets that defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately \$2 billion or 14% of Pool assets. At the time of the restructuring, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

Currently, Pool A participants may withdraw 15% of their balance or \$2 million, whichever is greater, without penalty. Withdrawals from Pool A in excess of the above limit are subject to a 2% redemption fee. New investments in Pool A are not subject to the redemption fee or withdrawal restrictions. Future withdrawal provisions from Pool A will be subject to further evaluation based on the maturities of existing investments and the liquidity requirements of the Pool. On December 21, 2007, Standard and Poor's Ratings Services assigned its "AAAM" principal stability fund rating to Pool A.

NOTE 15. – PRONOUNCEMENTS ISSUED, BUT NOT YET ADOPTED

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* will be effective for the City beginning with its year ending September 30, 2008. This Statement improves the relevance and usefulness of financial reporting by (a) requiring systematic, accrual-basis measurement and recognition of OPEB cost (expense) over a period that approximates employees' years of service and (b) providing information about actuarial accrued liabilities associated with OPEB and whether and to what extent progress is being made in funding the plan.

GASB Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, issued September 2006, is effective for the City beginning with its fiscal year ending September 30, 2008. This Statement establishes accounting and financial reporting standards for transactions in which a government receives, or is entitled to, resources in exchange for future cash flows generated by collecting specific receivables or specific future revenues. It

CITY OF MIAMI, FLORIDA
NOTES TO FINANCIAL STATEMENTS

also provides disclosure requirements for a government that pledges or commits future cash flows from a specific revenue source. In addition this Statement establishes accounting and financial reporting standards for intra-entity transfers of assets and future revenues.

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* issued November 2006, is effective for the City beginning with its fiscal year ending September 30, 2009. This Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups.

GASB Statement No. 50, *Pension Disclosures* – an amendment of GASB Statements No. 25 and 27 was issued May 2007. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (“OPEB”) and, in doing so, enhances information disclosed in notes to financial statements or presented as required supplementary information (“RSI”) by pension plans and by employers that provide pension benefits. The provision of this Statement will be effective for the City beginning with its year ending September 30, 2009.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, was issued June 2007. This Statement establishes accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The provisions of this Statement will be effective for the City beginning with its year ending September 30, 2010.

The City’s management has not yet determined the effect these Statements will have on the City’s financial statements.

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City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - General Fund
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|---------------------|---------------------|-----------------------|-----------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Property Taxes | \$ 255,377,267 | \$ 255,850,418 | \$ 258,756,957 | \$ 2,906,539 |
| Franchise and Other Taxes | 36,060,759 | 39,631,617 | 42,257,282 | 2,625,665 |
| Licenses and Permits | 26,461,392 | 28,497,592 | 32,830,368 | 4,332,776 |
| Fines and Forfeitures | 4,595,500 | 4,885,500 | 5,283,695 | 398,195 |
| Intergovernmental Revenues | 40,871,218 | 53,847,248 | 54,096,408 | 249,160 |
| Charges for Services | 78,222,917 | 87,287,917 | 78,676,199 | (8,611,718) |
| Interest | 8,101,000 | 16,101,000 | 16,248,307 | 147,307 |
| Other | 7,772,750 | 14,263,997 | 3,448,782 | (10,815,215) |
| Total Revenues | 457,462,803 | 500,365,289 | 491,597,998 | (8,767,291) |
| Expenditures: | | | | |
| General Government | | | | |
| Mayor | 936,254 | 936,254 | 854,089 | 82,165 |
| Board of Commissioners | 2,250,000 | 2,342,171 | 2,044,352 | 297,819 |
| Office of City Manager | 2,448,614 | 2,165,489 | 2,074,184 | 91,305 |
| Office of City Clerk | 1,605,908 | 1,615,386 | 1,590,894 | 24,492 |
| Office of Civil Service | 317,922 | 355,922 | 355,466 | 456 |
| Office of Auditor General | 934,934 | 917,387 | 771,567 | 145,820 |
| Office of Communications | 1,318,842 | 1,318,842 | 1,236,524 | 82,318 |
| Employee Relations | 5,076,422 | 4,967,746 | 4,943,585 | 24,161 |
| Information Technology | 14,611,813 | 15,054,745 | 15,027,100 | 27,645 |
| Office of the City Attorney | 6,787,743 | 6,137,095 | 5,955,028 | 182,067 |
| Office of Strategic Planning & Budgeting | 1,636,030 | 1,532,798 | 1,484,617 | 48,181 |
| Purchasing | 1,481,055 | 1,417,685 | 1,328,325 | 89,360 |
| Office of Hearing Boards | 1,014,949 | 1,020,319 | 1,017,981 | 2,338 |
| Finance | 5,479,300 | 5,350,586 | 5,226,988 | 123,598 |
| Capital Improvement Administration | 3,914,375 | 3,306,193 | 3,104,625 | 201,568 |
| Total General Government | 49,814,161 | 48,438,618 | 47,015,325 | 1,423,293 |
| Planning and Development | | | | |
| Building | 7,463,727 | 7,929,295 | 7,929,276 | 19 |
| Department of Planning | 2,794,017 | 2,144,606 | 2,030,778 | 113,828 |
| Office of Zoning | 876,545 | 916,234 | 854,673 | 61,561 |
| Total Planning and Development | 11,134,289 | 10,990,135 | 10,814,727 | 175,408 |
| Public Works | | | | |
| Solid Waste | 23,057,787 | 23,735,431 | 23,732,907 | 2,524 |
| General Service Administration | 18,802,822 | 18,217,811 | 18,211,059 | 6,752 |
| Public Works | 16,262,801 | 14,452,597 | 14,432,642 | 19,955 |
| Total Public Works | 58,123,410 | 56,405,839 | 56,376,608 | 29,231 |
| Public Safety | | | | |
| Fire- Rescue | 67,983,884 | 96,509,332 | 96,283,178 | 226,154 |
| Police | 117,847,796 | 137,860,396 | 139,214,772 | (1,354,376) |
| Total Public Safety | 185,831,680 | 234,369,728 | 235,497,950 | (1,128,222) |
| Public Facilities | | | | |
| Parks and Recreation | 7,443,216 | 7,436,454 | 7,419,797 | 16,657 |
| Risk Management | 20,048,319 | 20,239,248 | 20,201,873 | 37,375 |
| | 33,768,550 | 18,115,929 | 18,115,929 | - |
| Pensions | | | | |
| G.E.S.E. Pension | 29,880,619 | 29,880,799 | 29,880,799 | - |
| F.I.P.O. Pension | 54,863,787 | 40,542,078 | 40,542,078 | - |
| Elected Officials & Administrators Pension | 322,358 | 346,186 | 285,408 | 60,778 |
| Total Pension | 85,066,764 | 70,769,063 | 70,708,285 | 60,778 |
| Organizational Support | | | | |
| Non-Departmental | 26,736,867 | 35,209,120 | 35,122,459 | 86,661 |
| | 30,168,930 | 35,773,177 | 28,490,230 | 7,282,947 |
| Total Expenditures | 508,136,186 | 537,747,311 | 529,763,183 | 7,984,128 |
| Excess (Deficiency) of Revenues Over Expenditures | (50,673,383) | (37,382,022) | (38,165,185) | (783,163) |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 37,637,086 | 61,411,040 | 61,411,040 | - |
| Transfers Out | - | (49,052,224) | (49,052,224) | - |
| Total Other Financing Sources (Uses) | 37,637,086 | 12,358,816 | 12,358,816 | - |
| Net Change in Fund Balance | (13,036,297) | (25,023,206) | (25,806,369) | (783,163) |
| Fund Balance - Beginning of Year | 13,036,297 | 25,023,206 | 126,256,513 | 101,233,307 |
| Fund Balance - End of Year | \$ - | \$ - | \$ 100,450,144 | \$ 100,450,144 |

The accompanying notes are an integral part of the required supplementary information.

City of Miami, Florida
Schedule of Revenues, Expenditures, and Changes In Fund Balance
Budget and Actual - Community Development Fund
For The Year Ended September 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 25,713,246 | \$ 26,878,254 | \$ 24,701,753 | \$ (2,176,501) |
| Charges for Services | - | - | 28 | 28 |
| Other | - | 48,457,121 | 2,301,510 | (46,155,611) |
| Total Revenues | <u>25,713,246</u> | <u>75,335,375</u> | <u>27,003,291</u> | <u>(48,332,084)</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| Community Development | 25,937,718 | 74,404,536 | 29,885,603 | 44,518,933 |
| Total Expenditures | <u>25,937,718</u> | <u>74,404,536</u> | <u>29,885,603</u> | <u>44,518,933</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(224,472)</u> | <u>930,838</u> | <u>(2,882,312)</u> | <u>3,813,150</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 1,324,472 | 1,037,302 | 753,496 | (283,806) |
| Transfers Out | (1,100,000) | (1,968,140) | (1,747,753) | 220,387 |
| Total Other Financing Sources (Uses) | <u>224,472</u> | <u>(930,838)</u> | <u>(994,257)</u> | <u>(63,419)</u> |
| Net Change in Fund Balance | - | - | (3,876,569) | (3,876,569) |
| Fund Balance - Beginning of Year | - | - | 5,724,277 | 5,724,277 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,847,708</u> | <u>\$ 1,847,708</u> |

The accompanying notes are an integral part of the required supplementary information.

City of Miami, Florida
Schedule of Revenues, Expenditures, and Changes In Fund Balance
Budget and Actual - Fire Rescue Services Fund
For The Year Ended September 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with</u> |
|--|-------------------------|--------------------|------------------------|----------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive (Negative)</u> |
| Revenues: | | | | |
| Licenses and Permits | \$ - | \$ - | \$ 17,687 | \$ 17,687 |
| Intergovernmental Revenues | 753,505 | 21,830,768 | 9,955,699 | (11,875,069) |
| Charges for Services | 3,322,290 | 3,272,814 | 2,830,610 | (442,204) |
| Interest | - | - | 11,333 | 11,333 |
| Other | 278,222 | 1,285,100 | 185,926 | (1,099,174) |
| Total Revenues | <u>4,354,017</u> | <u>26,388,682</u> | <u>13,001,255</u> | <u>(13,387,427)</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| Public Safety | <u>4,142,258</u> | <u>23,706,190</u> | <u>14,948,386</u> | <u>8,757,804</u> |
| Total Expenditures | <u>4,142,258</u> | <u>23,706,190</u> | <u>14,948,386</u> | <u>8,757,804</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>211,759</u> | <u>2,682,492</u> | <u>(1,947,131)</u> | <u>(4,629,623)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 3,061,055 | 199,350 | 199,350 | - |
| Transfers Out | <u>(3,272,814)</u> | <u>(2,881,842)</u> | <u>(2,881,842)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(211,759)</u> | <u>(2,682,492)</u> | <u>(2,682,492)</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | (4,629,623) | (4,629,623) |
| Fund Balance - Beginning of Year | - | - | (12,915,569) | (12,915,569) |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (17,545,192)</u> | <u>\$ (17,545,192)</u> |

The accompanying notes are an integral part of the required supplementary information.

City of Miami, Florida
Schedule of Revenues, Expenditures, and Changes In Fund Balance
Budget and Actual - Communications Services Tax Fund
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|---------------------|---------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Franchise and Other Taxes | \$ 53,697,000 | \$ 53,697,000 | \$ 58,099,069 | \$ 4,402,069 |
| Other | - | 780,000 | - | (780,000) |
| Total Revenues | <u>53,697,000</u> | <u>54,477,000</u> | <u>58,099,069</u> | <u>3,622,069</u> |
| Expenditures | | | | |
| Debt Service: | | | | |
| Interest and Other Charges | - | 780,000 | 780,000 | - |
| Total Expenditures | <u>-</u> | <u>780,000</u> | <u>780,000</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over Expenditures | 53,697,000 | 53,697,000 | 57,319,069 | 3,622,069 |
| Other Financing Uses: | | | | |
| Transfers Out | (53,697,000) | (53,697,000) | (57,319,069) | (3,622,069) |
| Total Other Financing Sources (Uses) | <u>(53,697,000)</u> | <u>(53,697,000)</u> | <u>(57,319,069)</u> | <u>(3,622,069)</u> |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of Year | - | - | 5,327,547 | 5,327,547 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,327,547</u> | <u>\$ 5,327,547</u> |

The accompanying notes are an integral part of the required supplementary information.

CITY OF MIAMI, FLORIDA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED SEPTEMBER 30, 2007
(UNAUDITED)

NOTE 1. - BUDGETARY POLICY

A. BUDGET POLICY

The City Commission annually adopts an operating budget ordinance for all governmental funds of the City, except for the Capital Projects Funds. The Capital Projects Funds are budgeted on a total project basis for which annual budgets are not available. For governmental funds, budgets are prepared on a basis consistent with accounting principles generally accepted in the United States of America.

B. BUDGET-LEGAL COMPLIANCE

The City follows these procedures in establishing the budgetary data reflected in the accompanying financial statements:

- Prior to August 31st, the City Manager submits to the City Commission a proposed operating budget by fund, except for the General Fund, which is at the departmental level, for the fiscal year commencing the upcoming October 1st. The operating budget includes proposed expenditures and the means of financing them.
- The Mayor prepares and delivers a budgetary address annually to the people of the City between July 1st and September 30th.

Such report is prepared after consultation with the City Manager.

- Public hearings are conducted to obtain taxpayer comments.
- Prior to October 1st, the budget is legally enacted through the passage of an ordinance and adoption of the budget report.
- Management may not make changes to the adopted budget without the approval of a majority vote of the Commission.
- The Commission may transfer among departments any part of an unencumbered balance of an appropriation to a purpose for which an appropriation for the current year has proved insufficient. At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the fund from which it was appropriated and is subject to future appropriations.
- Budgets are monitored at varying levels of classification detail, however, budgetary control is legally maintained at the fund level except for the General Fund, which is maintained at the departmental level.

All budget amendments require City Commission approval. During fiscal 2007, supplemental appropriations totaling \$29,611,125 in the General Fund, \$48,466,818 in the Community Development Fund, \$19,563,932 in the Fire Rescue Services Fund and \$780,000 in the Communication Services Fund was required to recognize unanticipated revenue including the award of federal and state grants and to provide funding for unanticipated program requirements.

**City of Miami, Florida
Pension Trust Funds**

**Schedule of Funding Progress (a)
(Unaudited)**

| Actuarial Valuation Date | (1) Actuarial Value of Assets | (2) Actuarial Accrued Liability (AAL) | Unfunded (Overfunded) AAL (2) - (1) | Funded Ratio (1)/(2) | (3) Covered Payroll | Unfunded (Overfunded) as a Percentage of Covered Payroll ((2) - (1))/(3) |
|---|--|--|--|-------------------------------------|------------------------------------|---|
| GESE Retirement Trust (b) | | | | | | |
| 10/1/2006 | \$ 618,482,563 | \$ 732,016,189 | \$ 113,533,626 | 84.49% | \$ 75,609,062 | 150.16% |
| 10/1/2005 | 588,495,706 | 746,324,834 | 157,829,128 | 78.85% | 71,485,284 | 220.79% |
| 10/1/2004 | 564,591,815 | 709,944,085 | 145,352,270 | 79.53% | 72,521,132 | 200.43% |
| 10/1/2003 | 555,480,276 | 682,360,385 | 126,880,109 | 81.41% | 70,717,807 | 179.42% |
| 10/1/2002 | 561,270,090 | 617,806,665 | 56,536,575 | 90.85% | 70,393,730 | 80.31% |
| 10/1/2001 | 597,112,330 | 579,385,162 | (17,727,168) | 103.06% | 66,650,450 | -26.60% |
| GESE Staff Plan (b) | | | | | | |
| 10/1/2006 | \$ 939,698 | \$ 1,129,276 | \$ 189,578 | 83.21% | \$ 643,770 | 29.45% |
| 10/1/2005 | 768,336 | 1,084,275 | 315,939 | 70.86% | 455,220 | 69.40% |
| 10/1/2004 | 615,132 | 1,005,846 | 390,714 | 61.16% | 487,639 | 80.12% |
| 10/1/2003 | 446,666 | 1,057,295 | 610,629 | 42.25% | 448,457 | 136.16% |
| 10/1/2002 | 303,728 | 900,721 | 596,993 | 33.72% | 411,278 | 145.16% |
| 10/1/2001 | 206,578 | 714,036 | 507,458 | 28.93% | 363,176 | 139.73% |
| GESE Excess Plan (b) | | | | | | |
| 10/1/2006 | \$ - | \$ 7,999,872 | \$ 7,999,872 | 0.00% | \$ 75,609,062 | 10.58% |
| 10/1/2005 | - | 8,402,351 | 8,402,351 | 0.00% | 71,485,284 | 11.75% |
| 10/1/2004 | - | 8,434,597 | 8,434,597 | 0.00% | 72,521,132 | 11.63% |
| 10/1/2003 | - | 9,926,810 | 9,926,810 | 0.00% | 70,717,807 | 14.04% |
| 10/1/2002 | - | 8,642,414 | 8,642,414 | 0.00% | 70,393,730 | 12.28% |
| 10/1/2001 | - | 9,281,796 | 9,281,796 | 0.00% | 66,650,450 | 13.93% |

- a. For information regarding pension contribution percentage rates, assumptions, amortization method, see Note 11.
- b. Entry Age Normal Actuarial Accrued Liability
- c. FIPO and EORT are not reflected on this schedule since they use the aggregate method which does not separately identify an actuarial accrued liability.



Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for special revenues that are legally restricted to expenditures for particular purposes.

Community Redevelopment Agency (OMNI CRA) – To account for revenues and expenditures to be used for general operations in the defined OMNI Community Redevelopment Area.

Community Redevelopment Agency (Midtown CRA) – To account for revenues and expenditures to be used for special operations in the defined Midtown Community Redevelopment Area.

Community Redevelopment Agency (SEOPW) – To account for revenues and expenditures to be used for special operations in the defined Southeast Overtown Park West Community Redevelopment Area.

Homeless Program – To account for the activities of the City’s homeless program.

Choice Housing Vouchers – To account for the monies received for administration and assistance to be provided in accordance with Section 8 of the U.S. Housing Act of 1937, as amended, under the Choice Housing Voucher Program.

State Housing Initiatives Program (SHIP) – To account for the monies received from the State of Florida Housing Finance Corporation to used to provide home ownership and rental housing programs at the local level.

Convention Center – To account for the operations of the City of Miami/ University of Miami James L. Knight International Center and Parking Garage.

Economic Development & Planning Services – To account for the operations of the Economic Development and Planning Services.



Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Net Offices – To account for the operations of the City’s Neighborhood Enhancement Teams (Net Offices).

Parks & Recreation Services – To account for the operations of the Parks and Recreation Services.

Police Services – To account for the proceeds of various grants from Local, State, and Federal Agencies that are expended for police activities.

Law Enforcement Trust – To account for confiscated monies awarded to the City for law enforcement related expenditures as stipulated by State Statutes.

Public Works Services – To account for the proceeds granted from Local and State Agencies to be used for maintenance of streets, highways, sidewalks and infrastructure.

City Clerk Services – To account for the operations of the Passport Facility, Municipal Archives and Records, and related programs.

Local Option Gas Tax (LOGT) – To account for the Local Option Gas Tax levied on the purchases of gasoline to be used for street improvements.

Stormwater Utility – To account for the fees and charges collected for the operation and maintenance of the stormwater management system and the funding of pollution abatement devices of said system.

General Special – To account for activities that are designated as special revenue which do not fall into one of the previous special revenue categories

Departmental Improvement Initiatives – To account for the funds designated for the City of Miami initiatives related to quality of life and technology.



Nonmajor Governmental Funds

SPECIAL REVENUE FUNDS

Transportation and Transit – To account for the operations of the City’s transit and transportation projects.

Liberty City – To account for the revitalization efforts for the redevelopment of the Model City Community Revitalization District.

Virginia Key Beach Trust – To account for the activities to preserve, restore, and maintain the Historic Virginia Key Beach Park.

Gusman and Olympia – To account for the activities of Gusman and Olympia Facilities.



Nonmajor Governmental Funds

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources, payments of general obligation bond principal, interest from government resources, special obligation bond principal and interest from pledged revenues when the government is obligated in some manner for the payment.

General Obligation Bonds – To account for monies for payment of principal, interest, and other costs related to various issues of long-term general obligation bonds. Debt Service is financed primarily by an ad valorem tax.

Other Special Obligation Bonds – To account for monies for payment of principal, interest, and other costs related to various special obligation and revenue bonds and loans.

CRA Other Special Obligation Bonds – To account for monies for payment of principal, interest, and other costs related to various CRA special obligation bonds and loans.



Nonmajor Governmental Funds

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities.

Community Redevelopment Agency - To account for the acquisition or construction of major capital facilities for community redevelopment in the defined Community Redevelopment Area.

Public Safety – To account for the acquisition or construction of major capital facilities that support the City of Miami’s Police and Fire operations.

Sanitary Sewers – To account for expenditures for the construction of sanitary sewers.

Storm Sewers – To account for expenditures for the construction of storm sewers.

Solid Waste – To account for the acquisition of equipment or facility maintenance associated with the collection and removal of solid waste.

Public Facilities – To account for the acquisition or construction of major capital facilities for public use such as marinas and stadiums.

Parks and Recreation – To account for the acquisition, rehabilitation, or construction of major capital facilities for cultural and recreational activities such as parks, elderly and youth day care centers.

Disaster Recovery – To account for revenue received from the Federal Emergency Management Agency (FEMA), insurance and other agencies as reimbursement for city-wide disasters in the areas of debris removal, roads and bridges, buildings and equipment, parks, marinas, stadiums and other measures of relief.

Mass Transit - To account for the expenditures related to mass transit.

**City of Miami, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2007**

| | Special Revenue Funds | | | | |
|--|------------------------------|--------------------|----------------------|-------------------|--|
| | Omni CRA | Midtown CRA | SEOPW CRA | Homeless | Choice Housing Vouchers |
| Assets | | | | | |
| Cash, Cash Equivalents and Investments | \$ 18,732,032 | \$ 367,971 | \$ 13,438,643 | \$ - | \$ 2,259,327 |
| Restricted Cash and Investments | - | - | - | - | - |
| Receivables (Net of Allowances for Uncollectibles): | | | | | |
| Accounts | - | - | 296,317 | - | - |
| Taxes | - | - | - | - | - |
| Due from Other Governments | - | - | - | 103,676 | - |
| Accrued Interest | 118,083 | - | 82,581 | - | 9,635 |
| Prepays | - | - | - | - | - |
| Other Assets | - | - | - | - | - |
| Total Assets | \$ 18,850,115 | \$ 367,971 | \$ 13,817,541 | \$ 103,676 | \$ 2,268,962 |
| Liabilities and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts Payable and Accrued Liabilities | \$ - | \$ - | \$ 512,027 | \$ 124,582 | \$ 98,887 |
| Due to Other Funds | - | - | - | 428,793 | - |
| Due to Other Governments | - | - | - | - | - |
| Deferred Revenue or Unearned Revenue | - | - | - | 18,802 | 2,121,682 |
| Deposits | - | - | - | - | - |
| Total Liabilities | - | - | 512,027 | 572,177 | 2,220,569 |
| Fund Balances (Deficits): | | | | | |
| Reserved for: | | | | | |
| Encumbrances | 17,054,946 | - | 12,254,822 | 10,400 | - |
| Debt Service | - | - | - | - | - |
| Prepaid Items | - | - | - | - | - |
| Unreserved, Designated for, Subsequent Years Expenditures | - | - | - | - | - |
| Unreserved, Undesignated | 1,795,169 | 367,971 | 1,050,692 | (478,901) | 48,393 |
| Total Fund Balances | 18,850,115 | 367,971 | 13,305,514 | (468,501) | 48,393 |
| Total Liabilities and Fund Balances | \$ 18,850,115 | \$ 367,971 | \$ 13,817,541 | \$ 103,676 | \$ 2,268,962 |

Special Revenue Funds

| SHIP | Convention Center | Economic Development & Planning Services | Net Offices | Parks & Recreation Services | Police Services | Law Enforcement Trust | Public Works Services |
|---------------------|--------------------------|---|---------------------|--|------------------------|------------------------------|------------------------------|
| \$ 3,364,451 | \$ 485,141 | \$ 8,210,428 | \$ 2,075,398 | \$ 2,115,223 | \$ 2,728,032 | \$ 3,602,506 | \$ 1,771,986 |
| - | 172,327 | - | - | - | - | - | - |
| - | 288,679 | 915,630 | 20,807 | 84,885 | 756,821 | - | - |
| - | - | - | - | - | - | - | - |
| - | - | 172,576 | 8,558 | 750,967 | 3,019,432 | - | - |
| 32,390 | - | 5,981 | - | 996 | 29,703 | 21,193 | 7,494 |
| - | - | - | - | - | 59,626 | - | - |
| - | - | - | - | - | - | - | - |
| <u>\$ 3,396,841</u> | <u>\$ 946,147</u> | <u>\$ 9,304,615</u> | <u>\$ 2,104,763</u> | <u>\$ 2,952,071</u> | <u>\$ 6,593,614</u> | <u>\$ 3,623,699</u> | <u>\$ 1,779,480</u> |
| | | | | | | | |
| \$ 283,974 | \$ 197,897 | \$ 515,946 | \$ 450,156 | \$ 168,844 | \$ 644,498 | \$ 37,266 | \$ 6,853 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 3,045,364 | - | 170,638 | 8,558 | 141,565 | 404,291 | - | - |
| - | - | 2,331 | 6,627 | - | - | 112,413 | - |
| <u>3,329,338</u> | <u>197,897</u> | <u>688,915</u> | <u>465,341</u> | <u>310,409</u> | <u>1,048,789</u> | <u>149,679</u> | <u>6,853</u> |
| | | | | | | | |
| 119 | 21,834 | 133,200 | 25,725 | 425,374 | 154,767 | 21,545 | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | 59,626 | - | - |
| - | - | - | - | - | - | - | - |
| - | - | 3,969,666 | 253,994 | 822,851 | 2,192,507 | 641,233 | 728,611 |
| 67,384 | 726,416 | 4,512,834 | 1,359,703 | 1,393,437 | 3,137,925 | 2,811,242 | 1,044,016 |
| 67,503 | 748,250 | 8,615,700 | 1,639,422 | 2,641,662 | 5,544,825 | 3,474,020 | 1,772,627 |
| <u>\$ 3,396,841</u> | <u>\$ 946,147</u> | <u>\$ 9,304,615</u> | <u>\$ 2,104,763</u> | <u>\$ 2,952,071</u> | <u>\$ 6,593,614</u> | <u>\$ 3,623,699</u> | <u>\$ 1,779,480</u> |

(continued)

City of Miami, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2007

| | Special Revenue Funds | | | | |
|--|--------------------------------|-------------------------------------|-------------------------------|---|---|
| | City Clerk Services | Local Option Gas Tax | Stormwater Utility | General Special Revenues | Departmental Improvement Initiatives |
| Assets | | | | | |
| Cash, Cash Equivalents and Investments | \$ 620,832 | \$ - | \$ 105,938 | \$ 72,553 | \$ 6,358,680 |
| Restricted Cash and Investments | - | - | - | - | - |
| Receivables (Net of Allowances for Uncollectibles): | | | | | |
| Accounts | 9,300 | 1,239 | - | - | 8,061 |
| Taxes | - | - | - | - | - |
| Due from Other Governments | - | - | - | - | 37,581 |
| Accrued Interest | - | - | - | - | - |
| Prepays | - | - | - | - | - |
| Other Assets | - | - | - | - | - |
| Total Assets | <u>\$ 630,132</u> | <u>\$ 1,239</u> | <u>\$ 105,938</u> | <u>\$ 72,553</u> | <u>\$ 6,404,322</u> |
| Liabilities and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts Payable and Accrued Liabilities | \$ - | \$ - | \$ - | \$ - | \$ 480,955 |
| Due to Other Funds | - | - | - | - | - |
| Due to Other Governments | - | - | - | - | - |
| Deferred Revenue or Unearned Revenue | - | - | - | - | 68,786 |
| Deposits | - | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>549,741</u> |
| Fund Balances (Deficits): | | | | | |
| Reserved for: | | | | | |
| Encumbrances | - | - | - | 10,400 | 995,047 |
| Debt Service | - | - | - | - | - |
| Prepaid Items | - | - | - | - | - |
| Unreserved, Designated for, Subsequent Years Expenditures | 223,401 | - | - | - | - |
| Unreserved, Undesignated | 406,731 | 1,239 | 105,938 | 62,153 | 4,859,534 |
| Total Fund Balances | <u>630,132</u> | <u>1,239</u> | <u>105,938</u> | <u>72,553</u> | <u>5,854,581</u> |
| Total Liabilities and Fund Balances | <u>\$ 630,132</u> | <u>\$ 1,239</u> | <u>\$ 105,938</u> | <u>\$ 72,553</u> | <u>\$ 6,404,322</u> |

| Special Revenue Funds | | | | | Debt Service Funds | |
|--------------------------|-------------------|--------------------------|---------------------|----------------------|--------------------------|--------------------------------|
| Transportation & Transit | Liberty City | Virginia Key Beach Trust | Gusman and Olympia | Total | General Obligation Bonds | Other Special Obligation Bonds |
| \$ - | \$ 596,181 | \$ 1,048,397 | \$ 370,494 | \$ 68,324,213 | \$ 1,915,269 | \$ - |
| - | - | 65,274 | - | 237,601 | 103,481 | 12,862,920 |
| - | - | - | 1,299,715 | 3,681,454 | - | - |
| - | - | - | - | - | 1,132,275 | - |
| 2,877,737 | 8,994 | - | - | 6,979,521 | - | - |
| - | - | 2,227 | - | 310,283 | - | - |
| - | - | - | 11,322 | 70,948 | - | - |
| - | - | - | - | - | - | - |
| <u>\$ 2,877,737</u> | <u>\$ 605,175</u> | <u>\$ 1,115,898</u> | <u>\$ 1,681,531</u> | <u>\$ 79,604,020</u> | <u>\$ 3,151,025</u> | <u>\$ 12,862,920</u> |
| \$ 13,881 | \$ 25,445 | \$ 90,907 | \$ 538,981 | \$ 4,191,099 | \$ 53 | \$ - |
| 1,734,271 | - | - | - | 2,163,064 | - | 9,419,771 |
| - | 59,019 | - | 876,104 | 935,123 | - | - |
| 1,136,512 | - | 11,000 | 269,784 | 7,396,982 | 846,755 | - |
| - | - | - | 132,896 | 254,267 | - | - |
| <u>2,884,664</u> | <u>84,464</u> | <u>101,907</u> | <u>1,817,765</u> | <u>14,940,535</u> | <u>846,808</u> | <u>9,419,771</u> |
| - | 28,848 | - | - | 31,137,027 | - | - |
| - | - | - | - | - | 2,304,217 | - |
| - | - | - | 11,322 | 70,948 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | 8,832,263 | - | - |
| (6,927) | 491,863 | 1,013,991 | (147,556) | 24,623,247 | - | 3,443,149 |
| (6,927) | 520,711 | 1,013,991 | (136,234) | 64,663,485 | 2,304,217 | 3,443,149 |
| <u>\$ 2,877,737</u> | <u>\$ 605,175</u> | <u>\$ 1,115,898</u> | <u>\$ 1,681,531</u> | <u>\$ 79,604,020</u> | <u>\$ 3,151,025</u> | <u>\$ 12,862,920</u> |

(continued)

**City of Miami, Florida
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2007**

| | <u>Debt Service Funds</u> | | <u>Capital Projects Funds</u> | | |
|--|---|----------------------|---|----------------------|----------------------------|
| | <u>SEOPW CRA Other Special Obligation</u> | <u>Total</u> | <u>SEOPW Community Redevelopment Agency</u> | <u>Public Safety</u> | <u>Sanitary Sewers</u> |
| Assets | | | | | |
| Cash, Cash Equivalents and Investments | \$ 1,545,132 | \$ 3,460,401 | \$ 2,970,564 | \$ 11,518,969 | \$ 26,158,622 |
| Restricted Cash and Investments | 627,053 | 13,593,454 | - | - | - |
| Receivables | | | | | |
| (Net of Allowances for Uncollectibles): | | | | | |
| Accounts | - | - | - | - | - |
| Taxes | - | 1,132,275 | - | - | - |
| Due From Other Governments | - | - | - | - | - |
| Accrued Interest | - | - | 18,852 | - | 157,962 |
| Prepays | - | - | - | - | - |
| Other Assets | - | - | - | - | - |
| Total Assets | <u>\$ 2,172,185</u> | <u>\$ 18,186,130</u> | <u>\$ 2,989,416</u> | <u>\$ 11,518,969</u> | <u>\$ 26,316,584</u> |
| Liabilities and Fund Balances | | | | | |
| Liabilities: | | | | | |
| Accounts Payable and Accrued Liabilities | \$ - | \$ 53 | \$ - | \$ 433,015 | \$ 15,305 |
| Due to Other Funds | - | 9,419,771 | - | - | - |
| Due to Other Governments | - | - | - | - | - |
| Deferred Revenue or Unearned Revenue | - | 846,755 | - | - | - |
| Deposits | - | - | - | - | - |
| Total Liabilities | <u>-</u> | <u>10,266,579</u> | <u>-</u> | <u>433,015</u> | <u>15,305</u> |
| Fund Balances (Deficits): | | | | | |
| Reserved for: | | | | | |
| Encumbrances | - | - | 346,365 | 4,914,528 | 44,783 |
| Debt Service | 2,172,185 | 4,476,402 | - | - | - |
| Prepaid Items | - | - | - | - | - |
| Unreserved, Designated for, | | | | | |
| Subsequent Years Expenditures | - | - | - | - | - |
| Unreserved, Undesignated | - | 3,443,149 | 2,643,051 | 6,171,426 | 26,256,496 |
| Total Fund Balances | <u>2,172,185</u> | <u>7,919,551</u> | <u>2,989,416</u> | <u>11,085,954</u> | <u>26,301,279</u> |
| Total Liabilities and Fund Balances | <u>\$ 2,172,185</u> | <u>\$ 18,186,130</u> | <u>\$ 2,989,416</u> | <u>\$ 11,518,969</u> | <u>\$ 26,316,584</u> |

Capital Projects Funds

| Storm Sewers | Solid Waste | Public Facilities | Parks & Recreation | Disaster Recovery | Mass Transit | Total | Total Nonmajor Governmental Funds |
|----------------------|--------------------|--------------------------|-------------------------------|--------------------------|---------------------|-----------------------|--|
| \$ 17,314,019 | \$ 553,345 | \$ 21,332,955 | \$ 4,943,707 | \$ 326,211 | \$ 4,759,771 | \$ 89,878,163 | \$ 161,662,777 |
| - | - | - | 337 | - | - | 337 | 13,831,392 |
| - | - | 137,977 | - | - | - | 137,977 | 3,819,431 |
| - | - | - | - | - | - | - | 1,132,275 |
| 6,279,497 | - | 40,217 | 11,194,125 | 30,877 | 2,048,033 | 19,592,749 | 26,572,270 |
| - | - | - | - | - | - | 176,814 | 487,097 |
| - | - | - | - | - | - | - | 70,948 |
| - | - | - | - | - | - | - | - |
| <u>\$ 23,593,516</u> | <u>\$ 553,345</u> | <u>\$ 21,511,149</u> | <u>\$ 16,138,169</u> | <u>\$ 357,088</u> | <u>\$ 6,807,804</u> | <u>\$ 109,786,040</u> | <u>\$ 207,576,190</u> |
| | | | | | | | |
| \$ 3,877,414 | \$ 5,385 | \$ 1,421,862 | \$ 8,092,303 | \$ 35,596 | \$ 1,639,183 | \$ 15,520,063 | \$ 19,711,215 |
| - | - | - | - | - | - | - | 11,582,835 |
| - | - | - | - | - | - | - | 935,123 |
| 6,241,411 | - | 40,217 | 9,422,871 | 30,877 | 670,362 | 16,405,738 | 24,649,475 |
| - | - | 9,944 | - | - | - | 9,944 | 264,211 |
| <u>10,118,825</u> | <u>5,385</u> | <u>1,472,023</u> | <u>17,515,174</u> | <u>66,473</u> | <u>2,309,545</u> | <u>31,935,745</u> | <u>57,142,859</u> |
| | | | | | | | |
| 13,826,621 | 693,616 | 3,981,353 | 31,094,321 | 70,853 | 433,281 | 55,405,721 | 86,542,748 |
| - | - | - | - | - | - | - | 4,476,402 |
| - | - | - | - | - | - | - | 70,948 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 8,832,263 |
| (351,930) | (145,656) | 16,057,773 | (32,471,326) | 219,762 | 4,064,978 | 22,444,574 | 50,510,970 |
| 13,474,691 | 547,960 | 20,039,126 | (1,377,005) | 290,615 | 4,498,259 | 77,850,295 | 150,433,331 |
| <u>\$ 23,593,516</u> | <u>\$ 553,345</u> | <u>\$ 21,511,149</u> | <u>\$ 16,138,169</u> | <u>\$ 357,088</u> | <u>\$ 6,807,804</u> | <u>\$ 109,786,040</u> | <u>\$ 207,576,190</u> |

City of Miami, Florida
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Nonmajor Governmental Funds
For The Year Ended September 30, 2007

| | Special Revenue Funds | | | | |
|--|------------------------------|--------------------|----------------------|---------------------|--------------------------------|
| | Omni CRA | Midtown CRA | SEOPW CRA | Homeless | Choice Housing Vouchers |
| Revenues | | | | | |
| Property Taxes | \$ 10,080,305 | \$ 120,738 | \$ 5,406,376 | \$ - | \$ - |
| Fines and Forfeitures | - | - | - | - | - |
| Intergovernmental Revenues | - | 122,256 | 3,365,337 | 513,501 | 1,691,022 |
| Charges for Services | - | - | 149,642 | - | - |
| Interest | 835,618 | - | 550,029 | - | 48,393 |
| Other | - | - | - | 20,000 | - |
| Total Revenues | <u>10,915,923</u> | <u>242,994</u> | <u>9,471,384</u> | <u>533,501</u> | <u>1,739,415</u> |
| Expenditures | | | | | |
| Current Operating: | | | | | |
| General Government | 500,000 | - | - | - | - |
| Planning and Development | - | - | - | - | - |
| Community Development | - | - | - | 1,362,697 | 1,691,022 |
| Community Redevelopment Areas | 1,509,289 | 4,675 | 2,973,730 | - | - |
| Public Works | - | - | - | - | - |
| Public Safety | - | - | - | - | - |
| Public Facilities | - | - | - | - | - |
| Parks and Recreation | - | - | - | - | - |
| Debt Service: | | | | | |
| Principal | - | - | - | - | - |
| Interest and Other Charges | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - |
| Total Expenditures | <u>2,009,289</u> | <u>4,675</u> | <u>2,973,730</u> | <u>1,362,697</u> | <u>1,691,022</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>8,906,634</u> | <u>238,319</u> | <u>6,497,654</u> | <u>(829,196)</u> | <u>48,393</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | - | 20,000 | 564,772 | 360,695 | - |
| Transfers Out | - | (64,772) | (943,611) | - | - |
| Proceeds Received From Refunding | - | - | - | - | - |
| Payment To Escrow Agent For Refunding | - | - | - | - | - |
| Premium (Discount) Issuance Costs | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(44,772)</u> | <u>(378,839)</u> | <u>360,695</u> | <u>-</u> |
| Net Changes in Fund Balances | 8,906,634 | 193,547 | 6,118,815 | (468,501) | 48,393 |
| Fund Balances - Beginning, as restated | <u>9,943,481</u> | <u>174,424</u> | <u>7,186,699</u> | <u>-</u> | <u>-</u> |
| Fund Balances - Ending | <u>\$ 18,850,115</u> | <u>\$ 367,971</u> | <u>\$ 13,305,514</u> | <u>\$ (468,501)</u> | <u>\$ 48,393</u> |

| SHIP | Convention Center | Economic Development & Planning Services | Net Offices | Parks & Recreation Services | Police Services | Law Enforcement Trust |
|------------------|--------------------------|---|---------------------|--|------------------------|------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | 600 | 2,257,517 |
| 2,386,175 | 2,095,261 | 39,596 | 20,000 | 7,984,877 | 8,790,682 | - |
| - | 5,930,583 | 866,141 | 816,754 | 37,706 | 441,303 | - |
| - | 7,994 | 89,638 | - | 8,526 | 185,790 | 125,349 |
| - | - | 54,008 | 2,413 | 840,257 | 577 | 2,091 |
| <u>2,386,175</u> | <u>8,033,838</u> | <u>1,049,383</u> | <u>839,167</u> | <u>8,871,366</u> | <u>9,418,952</u> | <u>2,384,957</u> |
| - | - | - | 8,153,073 | - | - | - |
| - | - | 1,047,958 | - | - | - | - |
| 2,386,175 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 5,742,633 | 502,603 |
| - | 3,566,929 | - | - | - | - | - |
| - | - | - | - | 9,072,383 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>2,386,175</u> | <u>3,566,929</u> | <u>1,047,958</u> | <u>8,153,073</u> | <u>9,072,383</u> | <u>5,742,633</u> | <u>502,603</u> |
| - | 4,466,909 | 1,425 | (7,313,906) | (201,017) | 3,676,319 | 1,882,354 |
| 67,503 | 3,572,225 | 74,000 | 7,756,306 | - | 39,196 | - |
| - | (11,430,473) | (72,553) | - | (69,202) | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>67,503</u> | <u>(7,858,248)</u> | <u>1,447</u> | <u>7,756,306</u> | <u>(69,202)</u> | <u>39,196</u> | <u>-</u> |
| 67,503 | (3,391,339) | 2,872 | 442,400 | (270,219) | 3,715,515 | 1,882,354 |
| - | 4,139,589 | 8,612,828 | 1,197,022 | 2,911,881 | 1,829,310 | 1,591,666 |
| <u>\$ 67,503</u> | <u>\$ 748,250</u> | <u>\$ 8,615,700</u> | <u>\$ 1,639,422</u> | <u>\$ 2,641,662</u> | <u>\$ 5,544,825</u> | <u>\$ 3,474,020</u> |

(continued)

City of Miami, Florida
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Nonmajor Governmental Funds
For The Year Ended September 30, 2007

| | Special Revenue Funds | | | | | |
|--|----------------------------------|--------------------------------|-------------------------------------|-------------------------------|--|---|
| | Public Works Services | City Clerk Services | Local Option Gas Tax | Stormwater Utility | General Special Revenue | Departmental Improvement Initiatives |
| Revenues | | | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Fines and Forfeitures | - | - | - | - | - | - |
| Intergovernmental Revenues | - | - | - | - | - | 368,933 |
| Charges for Services | 200,737 | 150,829 | 1,239 | 105,938 | - | - |
| Interest | 61,578 | - | - | - | - | - |
| Other | 3,530 | - | - | - | - | 9,750 |
| Total Revenues | <u>265,845</u> | <u>150,829</u> | <u>1,239</u> | <u>105,938</u> | <u>-</u> | <u>378,683</u> |
| Expenditures | | | | | | |
| Current Operating: | | | | | | |
| General Government | - | 28,120 | - | - | - | 1,627,134 |
| Planning and Development | - | - | - | - | - | - |
| Community Development | - | - | - | - | - | - |
| Community Redevelopment Areas | - | - | - | - | - | - |
| Public Works | 107,756 | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - |
| Public Facilities | - | - | - | - | - | - |
| Parks and Recreation | - | - | - | - | - | - |
| Debt Service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest and Other Charges | - | - | - | - | - | - |
| Capital Outlay | - | - | - | - | - | - |
| Total Expenditures | <u>107,756</u> | <u>28,120</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,627,134</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>158,089</u> | <u>122,709</u> | <u>1,239</u> | <u>105,938</u> | <u>-</u> | <u>(1,248,451)</u> |
| Other Financing Sources (Uses) | | | | | | |
| Transfers In | - | 35,000 | - | - | 72,553 | 6,884,407 |
| Transfers Out | - | - | - | (795,647) | - | (967,370) |
| Proceeds Received From Refunding | - | - | - | - | - | - |
| Payment To Escrow Agent For Refunding | - | - | - | - | - | - |
| Premium (Discount) Issuance Costs | - | - | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>35,000</u> | <u>-</u> | <u>(795,647)</u> | <u>72,553</u> | <u>5,917,037</u> |
| Net Changes in Fund Balances | 158,089 | 157,709 | 1,239 | (689,709) | 72,553 | 4,668,586 |
| Fund Balances - Beginning, as restated | <u>1,614,538</u> | <u>472,423</u> | <u>-</u> | <u>795,647</u> | <u>-</u> | <u>1,185,995</u> |
| Fund Balances - Ending | <u>\$ 1,772,627</u> | <u>\$ 630,132</u> | <u>\$ 1,239</u> | <u>\$ 105,938</u> | <u>\$ 72,553</u> | <u>\$ 5,854,581</u> |

| Special Revenue Funds | | | | | Debt Service Funds | |
|--------------------------|-------------------|--------------------------|---------------------|----------------------|--------------------------|--------------------------------|
| Transportation & Transit | Liberty City | Virginia Key Beach Trust | Gusman and Olympia | Total | General Obligation Bonds | Other Special Obligation Bonds |
| \$ - | \$ - | \$ - | \$ - | \$ 15,607,419 | \$ 19,886,776 | \$ - |
| - | - | - | - | 2,258,117 | - | - |
| 11,655,380 | 72,199 | - | 1,537,057 | 40,642,276 | - | - |
| - | - | - | 411,695 | 9,112,567 | - | - |
| - | - | 19,831 | - | 1,932,746 | 1,863 | 237,778 |
| - | 14,139 | 90,052 | 208,528 | 1,245,345 | - | - |
| <u>11,655,380</u> | <u>86,338</u> | <u>109,883</u> | <u>2,157,280</u> | <u>70,798,470</u> | <u>19,888,639</u> | <u>237,778</u> |
| 345,892 | - | - | - | 10,654,219 | - | - |
| - | - | - | - | 1,047,958 | - | - |
| - | - | - | - | 5,439,894 | - | - |
| - | 826,774 | - | - | 5,314,468 | - | - |
| - | - | - | - | 107,756 | - | - |
| - | - | - | - | 6,245,236 | - | - |
| - | - | - | 2,469,219 | 6,036,148 | - | - |
| - | - | 1,363,250 | - | 10,435,633 | - | - |
| - | - | - | - | - | 10,372,523 | 10,359,753 |
| - | - | - | - | - | 9,157,173 | 14,217,003 |
| - | - | - | - | - | - | - |
| <u>345,892</u> | <u>826,774</u> | <u>1,363,250</u> | <u>2,469,219</u> | <u>45,281,312</u> | <u>19,529,696</u> | <u>24,576,756</u> |
| <u>11,309,488</u> | <u>(740,436)</u> | <u>(1,253,367)</u> | <u>(311,939)</u> | <u>25,517,158</u> | <u>358,943</u> | <u>(24,338,978)</u> |
| 192,517 | 579,865 | 1,698,987 | - | 21,918,026 | - | 23,225,272 |
| (17,867,601) | - | (18,032) | - | (32,229,261) | - | - |
| - | - | - | - | - | 108,226,992 | 30,615,000 |
| - | - | - | - | - | (102,305,000) | (29,470,000) |
| - | - | - | - | - | (5,971,709) | (1,017,199) |
| <u>(17,675,084)</u> | <u>579,865</u> | <u>1,680,955</u> | <u>-</u> | <u>(10,311,235)</u> | <u>(49,717)</u> | <u>23,353,073</u> |
| (6,365,596) | (160,571) | 427,588 | (311,939) | 15,205,923 | 309,226 | (985,905) |
| <u>6,358,669</u> | <u>681,282</u> | <u>586,403</u> | <u>175,705</u> | <u>49,457,562</u> | <u>1,994,991</u> | <u>4,429,054</u> |
| <u>\$ (6,927)</u> | <u>\$ 520,711</u> | <u>\$ 1,013,991</u> | <u>\$ (136,234)</u> | <u>\$ 64,663,485</u> | <u>\$ 2,304,217</u> | <u>\$ 3,443,149</u> |

(continued)

City of Miami, Florida
Combining Statement of Revenues, Expenditures, and Changes In Fund Balances
Nonmajor Governmental Funds
For The Year Ended September 30, 2007

| | Debt Service Funds | | Capital Projects Funds | | |
|--|--|---------------------|---|----------------------|----------------------|
| | SEOPW CRA Other Special Obligation | Total | SEOPW Community Redevelopment Agency | Public Safety | Sanitary Sewers |
| Revenues | | | | | |
| Property Taxes | \$ - | \$ 19,886,776 | \$ - | \$ - | \$ - |
| Fines and Forfeitures | - | - | - | - | - |
| Intergovernmental Revenues | 300,000 | 300,000 | - | - | - |
| Charges for Services | - | - | - | - | - |
| Interest | 21,255 | 260,896 | 147,206 | 275,414 | 1,295,494 |
| Other | - | - | - | 5,700 | - |
| Total Revenues | 321,255 | 20,447,672 | 147,206 | 281,114 | 1,295,494 |
| Expenditures | | | | | |
| Current Operating: | | | | | |
| General Government | - | - | - | - | - |
| Planning and Development | - | - | - | - | - |
| Community Development | - | - | - | - | - |
| Community Redevelopment Areas | - | - | - | - | - |
| Public Works | - | - | - | - | - |
| Public Safety | - | - | - | - | - |
| Public Facilities | - | - | - | - | - |
| Parks and Recreation | - | - | - | - | - |
| Debt Service: | | | | | |
| Principal | 155,000 | 20,887,276 | - | - | - |
| Interest and Other Charges | 191,888 | 23,566,064 | - | - | - |
| Capital Outlay | - | - | - | 5,019,559 | 557,891 |
| Total Expenditures | 346,888 | 44,453,340 | - | 5,019,559 | 557,891 |
| Excess (Deficiency) of Revenues Over Expenditures | (25,633) | (24,005,668) | 147,206 | (4,738,445) | 737,603 |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | 408,611 | 23,633,883 | - | 6,301,660 | - |
| Transfers Out | - | - | - | (14,077,642) | - |
| Proceeds Received From Refunding | - | 138,841,992 | - | - | - |
| Payment To Escrow Agent For Refunding | - | (131,775,000) | - | - | - |
| Premium (Discount) Issuance Costs | - | (6,988,908) | - | - | - |
| Total Other Financing Sources (Uses) | 408,611 | 23,711,967 | - | (7,775,982) | - |
| Net Changes in Fund Balances | 382,978 | (293,701) | 147,206 | (12,514,427) | 737,603 |
| Fund Balances - Beginning, as restated | 1,789,207 | 8,213,252 | 2,842,210 | 23,600,381 | 25,563,676 |
| Fund Balances - Ending | \$ 2,172,185 | \$ 7,919,551 | \$ 2,989,416 | \$ 11,085,954 | \$ 26,301,279 |

Capital Projects Funds

| Storm Sewers | Solid Waste | Public Facilities | Parks & Recreation | Disaster Recovery | Mass Transit | Total | Total Nonmajor Governmental Funds |
|----------------------|--------------------|--------------------------|-------------------------------|--------------------------|---------------------|----------------------|--|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 35,494,195 |
| - | - | - | - | - | - | - | 2,258,117 |
| - | - | 2,693,395 | 14,406,544 | - | 1,377,671 | 18,477,610 | 59,419,886 |
| - | - | 471,794 | - | - | - | 471,794 | 9,584,361 |
| - | - | 171,806 | 139,263 | - | - | 2,029,183 | 4,222,825 |
| 182,384 | 2,448 | 1,523,113 | - | 279,703 | - | 1,993,348 | 3,238,693 |
| <u>182,384</u> | <u>2,448</u> | <u>4,860,108</u> | <u>14,545,807</u> | <u>279,703</u> | <u>1,377,671</u> | <u>22,971,935</u> | <u>114,218,077</u> |
| - | - | - | - | - | - | - | 10,654,219 |
| - | - | - | - | - | - | - | 1,047,958 |
| - | - | - | - | - | - | - | 5,439,894 |
| - | - | - | - | - | - | - | 5,314,468 |
| - | - | - | - | - | - | - | 107,756 |
| - | - | - | - | - | - | - | 6,245,236 |
| - | - | - | - | - | - | - | 6,036,148 |
| - | - | - | - | - | - | - | 10,435,633 |
| - | - | - | - | - | - | - | 20,887,276 |
| - | - | - | - | - | - | - | 23,566,064 |
| 12,725,194 | 3,223,605 | 6,758,460 | 50,568,612 | - | 5,123,785 | 83,977,106 | 83,977,106 |
| <u>12,725,194</u> | <u>3,223,605</u> | <u>6,758,460</u> | <u>50,568,612</u> | <u>-</u> | <u>5,123,785</u> | <u>83,977,106</u> | <u>173,711,758</u> |
| (12,542,810) | (3,221,157) | (1,898,352) | (36,022,805) | 279,703 | (3,746,114) | (61,005,171) | (59,493,681) |
| 7,579,652 | 3,507,351 | 8,947,434 | 30,372,238 | - | 8,244,373 | 64,952,708 | 110,504,617 |
| (9,511,110) | - | (7,225,482) | (2,599,056) | - | - | (33,413,290) | (65,642,551) |
| - | - | - | - | - | - | - | 138,841,992 |
| - | - | - | - | - | - | - | (131,775,000) |
| - | - | - | - | - | - | - | (6,988,908) |
| <u>(1,931,458)</u> | <u>3,507,351</u> | <u>1,721,952</u> | <u>27,773,182</u> | <u>-</u> | <u>8,244,373</u> | <u>31,539,418</u> | <u>44,940,150</u> |
| (14,474,268) | 286,194 | (176,400) | (8,249,623) | 279,703 | 4,498,259 | (29,465,753) | (14,553,531) |
| 27,948,959 | 261,766 | 20,215,526 | 6,872,618 | 10,912 | - | 107,316,048 | 164,986,862 |
| <u>\$ 13,474,691</u> | <u>\$ 547,960</u> | <u>\$ 20,039,126</u> | <u>\$ (1,377,005)</u> | <u>\$ 290,615</u> | <u>\$ 4,498,259</u> | <u>\$ 77,850,295</u> | <u>\$ 150,433,331</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - OMNI CRA
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------------|-----------------------|-----------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Property Taxes | \$ 10,235,486 | \$ 10,080,305 | \$ 10,080,305 | \$ - |
| Interest | 21,500 | - | 835,618 | 835,618 |
| Total Revenues | <u>10,256,986</u> | <u>10,080,305</u> | <u>10,915,923</u> | <u>835,618</u> |
| Expenditures: | | | | |
| General Government | 700,000 | 700,000 | 500,000 | 200,000 |
| Community Redevelopment Areas | 18,836,145 | 15,235,234 | 1,509,289 | 13,725,945 |
| Total Expenditures | <u>19,536,145</u> | <u>15,935,234</u> | <u>2,009,289</u> | <u>13,925,945</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (9,279,159) | (5,854,929) | 8,906,634 | 14,761,563 |
| Net Change in Fund Balance | (9,279,159) | (5,854,929) | 8,906,634 | 14,761,563 |
| Fund Balance - Beginning of Year | - | - | 9,943,481 | 9,943,481 |
| Fund Balance - End of Year | <u>\$ (9,279,159)</u> | <u>\$ (5,854,929)</u> | <u>\$ 18,850,115</u> | <u>\$ 24,705,044</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Midtown CRA
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|-------------------------|------------------|-----------------------|----------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Property Taxes | \$ 120,738 | \$ 120,738 | \$ 120,738 | \$ - |
| Intergovernmental Revenues | 185,697 | 185,697 | 122,256 | (63,441) |
| Total Revenues | <u>306,435</u> | <u>306,435</u> | <u>242,994</u> | <u>(63,441)</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| General Government | 1,000 | 1,000 | - | 1,000 |
| Community Redevelopment Areas | 6,000 | 6,000 | 4,675 | 1,325 |
| Total Expenditures | <u>7,000</u> | <u>7,000</u> | <u>4,675</u> | <u>2,325</u> |
| Excess of Revenues Over Expenditures | 299,435 | 299,435 | 238,319 | (61,116) |
| Other Financing Sources: | | | | |
| Transfers In | 20,000 | 20,000 | 20,000 | - |
| Transfers Out | (319,435) | (319,435) | (64,772) | 254,663 |
| Total Other Financing Sources (Uses) | <u>(299,435)</u> | <u>(299,435)</u> | <u>(44,772)</u> | <u>254,663</u> |
| Net Change in Fund Balance | - | - | 193,547 | 193,547 |
| Fund Balance - Beginning of Year | - | - | 174,424 | 174,424 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 367,971</u> | <u>\$ 367,971</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - SEOPW CRA
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|--------------------|-----------------------|----------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Property Taxes | \$ 6,181,223 | \$ 6,106,376 | \$ 5,406,376 | \$ (700,000) |
| Intergovernmental Revenues | 2,822,561 | 2,822,561 | 3,365,337 | 542,776 |
| Charges for Services | - | - | 149,642 | 149,642 |
| Interest | 11,500 | - | 550,029 | 550,029 |
| Total Revenues | <u>9,015,284</u> | <u>8,928,937</u> | <u>9,471,384</u> | <u>542,447</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| General Government | 1,841,561 | 1,841,561 | - | 1,841,561 |
| Community Redevelopment Areas | 10,780,003 | 10,478,631 | 2,973,730 | 7,504,901 |
| Total Expenditures | <u>12,621,564</u> | <u>12,320,192</u> | <u>2,973,730</u> | <u>9,346,462</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(3,606,280)</u> | <u>(3,391,255)</u> | <u>6,497,654</u> | <u>9,888,909</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | - | - | 564,772 | 564,772 |
| Transfers Out | (410,000) | (410,000) | (943,611) | (533,611) |
| Total Other Financing Sources (Uses) | <u>(410,000)</u> | <u>(410,000)</u> | <u>(378,839)</u> | <u>31,161</u> |
| Net Change in Fund Balance | (4,016,280) | (3,801,255) | 6,118,815 | 9,920,070 |
| Fund Balance - Beginning of Year | 4,016,280 | 3,789,755 | 7,186,699 | 3,396,944 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ (11,500)</u> | <u>\$ 13,305,514</u> | <u>\$ 13,317,014</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Homeless Program
For The Year Ended September 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with |
|--|-------------------------|------------------|-----------------------|----------------------------|
| | <u>Original</u> | <u>Final</u> | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ - | \$ 464,216 | \$ 513,501 | \$ 49,285 |
| Other | - | 21,095 | 20,000 | (1,095) |
| Total Revenues | <u>-</u> | <u>485,311</u> | <u>533,501</u> | <u>48,190</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| Community Development | - | 1,339,823 | 1,362,697 | (22,874) |
| Total Expenditures | <u>-</u> | <u>1,339,823</u> | <u>1,362,697</u> | <u>(22,874)</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>-</u> | <u>(854,512)</u> | <u>(829,196)</u> | <u>(25,316)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | - | 854,512 | 360,695 | (493,817) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>854,512</u> | <u>360,695</u> | <u>(493,817)</u> |
| Net Change in Fund Balance | - | - | (468,501) | (468,501) |
| Fund Balance - Beginning of Year | - | - | - | - |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (468,501)</u> | <u>\$ (468,501)</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Choice Housing Vouchers Program
For The Year Ended September 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | Variance with |
|--|-------------------------|------------------|-----------------------|----------------------------|
| | <u>Original</u> | <u>Final</u> | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 4,780,000 | \$ 4,780,000 | \$ 1,691,022 | \$ (3,088,978) |
| Interest | - | - | 48,393 | 48,393 |
| Other | - | 714,675 | - | (714,675) |
| Total Revenues | <u>4,780,000</u> | <u>5,494,675</u> | <u>1,739,415</u> | <u>(3,755,260)</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| Community Development | 4,780,000 | 5,494,675 | 1,691,022 | 3,803,653 |
| Total Expenditures | <u>4,780,000</u> | <u>5,494,675</u> | <u>1,691,022</u> | <u>3,803,653</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>-</u> | <u>-</u> | <u>48,393</u> | <u>48,393</u> |
| Net Change in Fund Balance | - | - | 48,393 | 48,393 |
| Fund Balance - Beginning of Year | - | - | - | - |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 48,393</u> | <u>\$ 48,393</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - SHIP
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|------------------|------------------|------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 2,276,157 | \$ 2,180,680 | \$ 2,386,175 | \$ 205,495 |
| Other | - | 2,629,578 | - | (2,629,578) |
| Total Revenues | <u>2,276,157</u> | <u>4,810,258</u> | <u>2,386,175</u> | <u>(2,424,083)</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| Community Development | 2,276,157 | 4,877,761 | 2,386,175 | 2,491,586 |
| Total Expenditures | <u>2,276,157</u> | <u>4,877,761</u> | <u>2,386,175</u> | <u>2,491,586</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>-</u> | <u>(67,503)</u> | <u>-</u> | <u>67,503</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | - | 67,503 | 67,503 | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>67,503</u> | <u>67,503</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | 67,503 | 67,503 |
| Fund Balance - Beginning of Year | - | - | - | - |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 67,503</u> | <u>\$ 67,503</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Convention Center
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|--------------------|--------------------|--------------------|---------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 1,300,000 | \$ 1,300,000 | \$ 2,095,261 | \$ 795,261 |
| Charges for Services | 5,314,743 | 5,314,743 | 5,930,583 | 615,840 |
| Interest | 3,500 | 3,500 | 7,994 | 4,494 |
| Other | - | 4,949,744 | - | (4,949,744) |
| Total Revenues | <u>6,618,243</u> | <u>11,567,987</u> | <u>8,033,838</u> | <u>(3,534,149)</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| Public Facilities | 8,516,902 | 8,507,637 | 3,566,929 | 4,940,708 |
| Total Expenditures | <u>8,516,902</u> | <u>8,507,637</u> | <u>3,566,929</u> | <u>4,940,708</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(1,898,659)</u> | <u>3,060,350</u> | <u>4,466,909</u> | <u>1,406,559</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 7,231,234 | 3,572,225 | 3,572,225 | - |
| Transfers Out | (5,332,575) | (6,632,575) | (11,430,473) | (4,797,898) |
| Total Other Financing Sources (Uses) | <u>1,898,659</u> | <u>(3,060,350)</u> | <u>(7,858,248)</u> | <u>(4,797,898)</u> |
| Net Change in Fund Balance | - | - | (3,391,339) | (3,391,339) |
| Fund Balance - Beginning of Year | - | - | 4,139,589 | 4,139,589 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 748,250</u> | <u>\$ 748,250</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Economic Development & Planning Services
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|--------------------|-------------------|---------------------|---------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ - | \$ 1,482,237 | \$ 39,596 | \$ (1,442,641) |
| Charges for Services | - | - | 866,141 | 866,141 |
| Interest | - | - | 89,638 | 89,638 |
| Other | - | 8,662,910 | 54,008 | (8,608,902) |
| Total Revenues | <u>-</u> | <u>10,145,147</u> | <u>1,049,383</u> | <u>(9,095,764)</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| Planning and Development | 9,103,832 | 10,146,594 | 1,047,958 | 9,098,636 |
| Total Expenditures | <u>9,103,832</u> | <u>10,146,594</u> | <u>1,047,958</u> | <u>9,098,636</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(9,103,832)</u> | <u>(1,447)</u> | <u>1,425</u> | <u>2,872</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 9,103,832 | 74,000 | 74,000 | - |
| Transfers Out | - | (72,553) | (72,553) | - |
| Total Other Financing Sources (Uses) | <u>9,103,832</u> | <u>1,447</u> | <u>1,447</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | 2,872 | 2,872 |
| Fund Balance - Beginning of Year | - | - | 8,612,828 | 8,612,828 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 8,615,700</u> | <u>\$ 8,615,700</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - NET Offices Fund
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|--------------------|--------------------|---------------------|--|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ - | \$ 40,992 | \$ 20,000 | \$ (20,992) |
| Charges for Services | - | - | 816,754 | 816,754 |
| Other | - | 1,237,947 | 2,413 | (1,235,534) |
| Total Revenues | <u>-</u> | <u>1,278,939</u> | <u>839,167</u> | <u>(439,772)</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| General Government | 7,847,704 | 9,035,245 | 8,153,073 | 882,172 |
| Total Expenditures | <u>7,847,704</u> | <u>9,035,245</u> | <u>8,153,073</u> | <u>882,172</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(7,847,704)</u> | <u>(7,756,306)</u> | <u>(7,313,906)</u> | <u>442,400</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 7,847,704 | 7,756,306 | 7,756,306 | - |
| Total Other Financing Sources (Uses) | <u>7,847,704</u> | <u>7,756,306</u> | <u>7,756,306</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | 442,400 | 442,400 |
| Fund Balance - Beginning of Year | - | - | 1,197,022 | 1,197,022 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,639,422</u> | <u>\$ 1,639,422</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Parks & Recreation Services Fund
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|------------------|-----------------------|----------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenue: | | | | |
| Intergovernmental Revenues | \$ 1,260 | \$ 1,172,766 | \$ 1,963,291 | \$ 790,525 |
| Charges for Services | - | - | 37,706 | 37,706 |
| Interest | - | - | 8,526 | 8,526 |
| Other | 2,161,894 | 3,668,859 | 840,257 | (2,828,602) |
| Total Revenues | <u>2,163,154</u> | <u>4,841,625</u> | <u>2,849,780</u> | <u>(1,991,845)</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| Parks and Recreation | 2,159,669 | 4,802,423 | 3,050,797 | 1,751,626 |
| Total Expenditures | <u>2,159,669</u> | <u>4,802,423</u> | <u>3,050,797</u> | <u>1,751,626</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>3,485</u> | <u>39,202</u> | <u>(201,017)</u> | <u>(240,219)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | - | 30,000 | - | (30,000) |
| Transfers Out | (3,485) | (69,202) | (69,202) | - |
| Total Other Financing Sources (Uses) | <u>(3,485)</u> | <u>(39,202)</u> | <u>(69,202)</u> | <u>(30,000)</u> |
| Net Change in Fund Balance | - | - | (270,219) | (270,219) |
| Fund Balance - Beginning of Year | - | - | 2,911,881 | 2,911,881 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,641,662</u> | <u>\$ 2,641,662</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Police Services Fund
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|-------------------|-----------------------|----------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Fines and Forfeitures | \$ - | \$ - | \$ 600 | \$ 600 |
| Intergovernmental Revenues | 2,810,380 | 6,709,822 | 8,790,682 | 2,080,860 |
| Charges for Services | 352,180 | 702,180 | 441,303 | (260,877) |
| Interest | - | - | 185,790 | 185,790 |
| Other | 8,413,695 | 4,594,471 | 577 | (4,593,894) |
| Total Revenues | <u>11,576,255</u> | <u>12,006,473</u> | <u>9,418,952</u> | <u>(2,587,521)</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| Public Safety | 11,591,341 | 12,045,669 | 5,742,633 | 6,303,036 |
| Total Expenditures | <u>11,591,341</u> | <u>12,045,669</u> | <u>5,742,633</u> | <u>6,303,036</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(15,086)</u> | <u>(39,196)</u> | <u>3,676,319</u> | <u>3,715,515</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 15,086 | 39,196 | 39,196 | - |
| Total Other Financing Sources (Uses) | <u>15,086</u> | <u>39,196</u> | <u>39,196</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | 3,715,515 | 3,715,515 |
| Fund Balance - Beginning of Year | - | - | 1,829,310 | 1,829,310 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,544,825</u> | <u>\$ 5,544,825</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Law Enforcement Trust Fund
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|------------------|------------------|---------------------|---------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Fines and Forfeitures | \$ - | \$ - | \$ 2,257,517 | \$ 2,257,517 |
| Interest | - | - | 125,349 | 125,349 |
| Other | 1,160,926 | 1,579,744 | 2,091 | (1,577,653) |
| Total Revenues | <u>1,160,926</u> | <u>1,579,744</u> | <u>2,384,957</u> | <u>805,213</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| Public Safety | 1,152,186 | 1,579,744 | 502,603 | 1,077,141 |
| Total Expenditures | <u>1,152,186</u> | <u>1,579,744</u> | <u>502,603</u> | <u>1,077,141</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>8,740</u> | <u>-</u> | <u>1,882,354</u> | <u>1,882,354</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | (8,740) | - | - | - |
| Total Other Financing Sources (Uses) | <u>(8,740)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | 1,882,354 | 1,882,354 |
| Fund Balance - Beginning of Year | - | - | 1,591,666 | 1,591,666 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,474,020</u> | <u>\$ 3,474,020</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Public Works Services Fund
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------------|------------------|-----------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ - | \$ - | \$ - | \$ - |
| Charges for Services | - | - | 200,737 | 200,737 |
| Interest | - | - | 61,578 | 61,578 |
| Other | 1,216,954 | 1,534,053 | 3,530 | (1,530,523) |
| Total Revenues | <u>1,216,954</u> | <u>1,534,053</u> | <u>265,845</u> | <u>(1,268,208)</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| Public Works | 1,065,670 | 1,534,053 | 107,756 | 1,426,297 |
| Total Expenditures | <u>1,065,670</u> | <u>1,534,053</u> | <u>107,756</u> | <u>1,426,297</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>151,284</u> | <u>-</u> | <u>158,089</u> | <u>158,089</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | (151,284) | - | - | - |
| Net Change in Fund Balance | <u>-</u> | <u>-</u> | <u>158,089</u> | <u>158,089</u> |
| Fund Balance - Beginning of Year | <u>-</u> | <u>-</u> | <u>1,614,538</u> | <u>1,614,538</u> |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,772,627</u> | <u>\$ 1,772,627</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - City Clerk Services Fund
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|----------------|-----------------------|----------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Charges for Services | \$ - | \$ - | \$ 150,829 | \$ 150,829 |
| Other | - | 472,423 | - | (472,423) |
| Total Revenues | <u>-</u> | <u>472,423</u> | <u>150,829</u> | <u>(321,594)</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| General Government | 382,295 | 507,423 | 28,120 | 479,303 |
| Total Expenditures | <u>382,295</u> | <u>507,423</u> | <u>28,120</u> | <u>479,303</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (382,295) | (35,000) | 122,709 | 157,709 |
| Other Financing Sources: | | | | |
| Transfers In | 382,295 | 35,000 | 35,000 | - |
| Net Change in Fund Balance | - | - | 157,709 | 157,709 |
| Fund Balance - Beginning of Year | - | - | 472,423 | 472,423 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 630,132</u> | <u>\$ 630,132</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Local Option Gas Tax
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with |
|---|------------------|-------------|-----------------|---------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Charges for Services | \$ - | \$ - | \$ 1,239 | \$ 1,239 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>1,239</u> | <u>1,239</u> |
| Net Change in Fund Balance | - | - | 1,239 | 1,239 |
| Fund Balance - Beginning of Year | - | - | - | - |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,239</u> | <u>\$ 1,239</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Stormwater Utility Fund
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|---|-------------------------|------------------|-----------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for Services | \$ - | \$ - | \$ 105,938 | \$ 105,938 |
| Other | - | 795,647 | - | (795,647) |
| Total Revenues | - | 795,647 | 105,938 | (689,709) |
| Other Financing Sources (Uses): | | | | |
| Transfers Out | - | (795,647) | (795,647) | - |
| Total Other Financing Sources (Uses) | - | (795,647) | (795,647) | - |
| Net Change in Fund Balance | - | - | (689,709) | (689,709) |
| Fund Balance - Beginning of Year | - | - | 795,647 | 795,647 |
| Fund Balance - End of Year | \$ - | \$ - | \$ 105,938 | \$ 105,938 |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - General Special Revenue
For The Year Ended September 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-----------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Other | \$ - | \$ 3,125 | \$ - | \$ (3,125) |
| Total Revenues | <u>-</u> | <u>3,125</u> | <u>-</u> | <u>(3,125)</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| General Government | - | 75,678 | - | 75,678 |
| Total Expenditures | <u>-</u> | <u>75,678</u> | <u>-</u> | <u>75,678</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>-</u> | <u>(72,553)</u> | <u>-</u> | <u>72,553</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | - | 72,553 | 72,553 | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>72,553</u> | <u>72,553</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | 72,553 | 72,553 |
| Fund Balance - Beginning of Year | - | - | - | - |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 72,553</u> | <u>\$ 72,553</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Departmental Improvement Initiatives Fund
For The Year Ended September 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|--------------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 116,036 | \$ 1,109,579 | \$ 368,933 | \$ (740,646) |
| Other | - | 1,262,367 | 9,750 | (1,252,617) |
| Total Revenues | <u>116,036</u> | <u>2,371,946</u> | <u>378,683</u> | <u>(1,993,263)</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| General Government | 1,509,020 | 8,288,983 | 1,627,134 | 6,661,849 |
| Total Expenditures | <u>1,509,020</u> | <u>8,288,983</u> | <u>1,627,134</u> | <u>6,661,849</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(1,392,984)</u> | <u>(5,917,037)</u> | <u>(1,248,451)</u> | <u>4,668,586</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers In | 2,936,541 | 6,884,407 | 6,884,407 | - |
| Transfers Out | <u>(1,543,557)</u> | <u>(967,370)</u> | <u>(967,370)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>1,392,984</u> | <u>5,917,037</u> | <u>5,917,037</u> | <u>-</u> |
| Net Change in Fund Balance | - | - | 4,668,586 | 4,668,586 |
| Fund Balance - Beginning of Year | - | - | 1,185,995 | 1,185,995 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,854,581</u> | <u>\$ 5,854,581</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Transportation & Transit Fund
For The Year Ended September 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with</u> |
|--|-------------------------|---------------------|-----------------------|----------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive (Negative)</u> |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 11,912,016 | \$ 11,912,016 | \$ 11,655,380 | \$ (256,636) |
| Other | 10,697,624 | 6,358,670 | - | (6,358,670) |
| Total Revenues | <u>22,609,640</u> | <u>18,270,686</u> | <u>11,655,380</u> | <u>(6,615,306)</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| General Government | 910,597 | 910,597 | 345,892 | 564,705 |
| Total Expenditures | <u>910,597</u> | <u>910,597</u> | <u>345,892</u> | <u>564,705</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>21,699,043</u> | <u>17,360,089</u> | <u>11,309,488</u> | <u>(6,050,601)</u> |
| Other Financing Uses: | | | | |
| Transfers In | - | - | 192,517 | 192,517 |
| Transfers Out | (21,699,043) | (17,360,089) | (17,867,601) | (507,512) |
| Total Other Financing Sources (Uses) | <u>(21,699,043)</u> | <u>(17,360,089)</u> | <u>(17,675,084)</u> | <u>(314,995)</u> |
| Net Change in Fund Balance | - | - | (6,365,596) | (6,365,596) |
| Fund Balance - Beginning of Year | - | - | 6,358,669 | 6,358,669 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (6,927)</u> | <u>\$ (6,927)</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Liberty City Revitalization Trust
For The Year Ended September 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with</u> |
|--|-------------------------|------------------|-----------------------|----------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive (Negative)</u> |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 938,401 | \$ 938,401 | \$ 72,199 | \$ (866,202) |
| Other | - | - | 14,139 | 14,139 |
| Total Revenues | <u>938,401</u> | <u>938,401</u> | <u>86,338</u> | <u>(852,063)</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| Community Redevelopment Areas | 1,324,473 | 1,324,473 | 826,774 | 497,699 |
| Total Expenditures | <u>1,324,473</u> | <u>1,324,473</u> | <u>826,774</u> | <u>497,699</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(386,072)</u> | <u>(386,072)</u> | <u>(740,436)</u> | <u>(354,364)</u> |
| Other Financing Sources: | | | | |
| Transfers In | - | - | 579,865 | 579,865 |
| Total Other Financing Sources | <u>-</u> | <u>-</u> | <u>579,865</u> | <u>579,865</u> |
| Net Change in Fund Balance | (386,072) | (386,072) | (160,571) | 225,501 |
| Fund Balance - Beginning of Year | 386,072 | 386,072 | 681,282 | 295,210 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 520,711</u> | <u>\$ 520,711</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Virginia Key Beach Trust
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|--------------------|-----------------------|----------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Interest | \$ - | \$ - | \$ 19,831 | \$ 19,831 |
| Other | 50,000 | 50,000 | 90,052 | 40,052 |
| Total Revenues | <u>50,000</u> | <u>50,000</u> | <u>109,883</u> | <u>59,883</u> |
| Expenditures: | | | | |
| Parks and Recreation | 2,127,253 | 2,127,253 | 1,363,250 | 764,003 |
| Total Expenditures | <u>2,127,253</u> | <u>2,127,253</u> | <u>1,363,250</u> | <u>764,003</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(2,077,253)</u> | <u>(2,077,253)</u> | <u>(1,253,367)</u> | <u>823,886</u> |
| Other Financing Sources: | | | | |
| Transfers In | 1,680,955 | 1,680,955 | 1,698,987 | 18,032 |
| Transfers Out | - | - | (18,032) | (18,032) |
| Total Other Financing Sources (Uses) | <u>1,680,955</u> | <u>1,680,955</u> | <u>1,680,955</u> | <u>-</u> |
| Net Change in Fund Balance | (396,298) | (396,298) | 427,588 | 823,886 |
| Fund Balance - Beginning of Year | 396,298 | 396,298 | 586,403 | 190,105 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,013,991</u> | <u>\$ 1,013,991</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Gusman and Olympia Fund
For The Year Ended September 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with</u> |
|--|-------------------------|------------------|-----------------------|----------------------------|
| | <u>Original</u> | <u>Final</u> | | <u>Final Budget</u> |
| | | | | <u>Positive (Negative)</u> |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 1,712,454 | \$ 1,712,454 | \$ 1,537,057 | \$ (175,397) |
| Charges for Services | - | - | 411,695 | 411,695 |
| Other | - | - | 208,528 | 208,528 |
| Total Revenues | <u>1,712,454</u> | <u>1,712,454</u> | <u>2,157,280</u> | <u>444,826</u> |
| Expenditures: | | | | |
| Current Operating: | | | | |
| Public Facilities | 1,712,454 | 1,712,454 | 2,469,219 | (756,765) |
| Total Expenditures | <u>1,712,454</u> | <u>1,712,454</u> | <u>2,469,219</u> | <u>(756,765)</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>-</u> | <u>-</u> | <u>(311,939)</u> | <u>(311,939)</u> |
| Net Change in Fund Balance | - | - | (311,939) | (311,939) |
| Fund Balance - Beginning of Year | - | - | 175,705 | 175,705 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (136,234)</u> | <u>\$ (136,234)</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - General Obligation Bonds Fund
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with |
|--|-------------------------|----------------------|-----------------------|----------------------------|
| | Original | Final | | Final Budget |
| | | | | Positive (Negative) |
| Revenues: | | | | |
| Property Taxes | \$ 19,740,776 | \$ 19,740,777 | \$ 19,886,776 | \$ 145,999 |
| Interest | - | - | 1,863 | 1,863 |
| Total Revenues | <u>19,740,776</u> | <u>19,740,777</u> | <u>19,888,639</u> | <u>147,862</u> |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal | 10,372,523 | 112,677,523 | 10,372,523 | 102,305,000 |
| Interest and Other Charges | 9,368,253 | 15,290,246 | 9,157,173 | 6,133,073 |
| Total Expenditures | <u>19,740,776</u> | <u>127,967,769</u> | <u>19,529,696</u> | <u>108,438,073</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>-</u> | <u>(108,226,992)</u> | <u>358,943</u> | <u>108,585,935</u> |
| Other Financing Sources (Uses): | | | | |
| Proceeds Received from Refunding | - | 108,226,992 | 108,226,992 | - |
| Payment To Escrow Agent For Refunding | - | - | (102,305,000) | (102,305,000) |
| Premium (Discount) Issuance Costs | - | - | (5,971,709) | (5,971,709) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>108,226,992</u> | <u>(49,717)</u> | <u>(108,276,709)</u> |
| Net Change in Fund Balance | - | - | 309,226 | 309,226 |
| Fund Balance - Beginning of Year | - | - | 1,994,991 | 1,994,991 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,304,217</u> | <u>\$ 2,304,217</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - Other Special Obligation Bonds Fund
For The Year Ended September 30, 2007

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|-------------------------|---------------------|-----------------------|---|
| | Original | Final | | |
| Revenues: | | | | |
| Interest | \$ - | \$ - | \$ 237,778 | \$ 237,778 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>237,778</u> | <u>237,778</u> |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal | 9,558,753 | 10,358,753 | 10,359,753 | (1,000) |
| Interest and Other Charges | 12,464,669 | 45,091,071 | 14,806,403 | 30,284,668 |
| Total Expenditures | <u>22,023,422</u> | <u>55,449,824</u> | <u>25,166,156</u> | <u>30,283,668</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(22,023,422)</u> | <u>(55,449,824)</u> | <u>(24,928,378)</u> | <u>30,521,446</u> |
| Other Financing Sources: | | | | |
| Transfers In | 22,023,422 | 22,612,141 | 23,225,272 | 613,131 |
| Proceeds Received from Refunding | - | 32,837,683 | 30,615,000 | (2,222,683) |
| Payment To Escrow Agent For Refunding | - | - | (29,470,000) | (29,470,000) |
| Premium (Discount) Issuance Costs | - | - | (427,799) | (427,799) |
| Total Other Financing Sources: | <u>22,023,422</u> | <u>55,449,824</u> | <u>23,942,473</u> | <u>(31,507,351)</u> |
| Net Change in Fund Balance | - | - | (985,905) | (985,905) |
| Fund Balance - Beginning of Year | - | - | 4,429,054 | 4,429,054 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 3,443,149</u> | <u>\$ 3,443,149</u> |

City of Miami, Florida
Schedule of Revenues, Expenditures and Changes In Fund Balance
Budget and Actual - SEOPW CRA Other Special Obligation Bonds Fund
For The Year Ended September 30, 2007

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget Positive (Negative)</u> |
|--|-------------------------|-----------------|-----------------------|---|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Intergovernmental Revenues | \$ 302,475 | \$ 302,475 | \$ 300,000 | \$ (2,475) |
| Interest | - | - | 21,255 | 21,255 |
| Total Revenues | <u>302,475</u> | <u>302,475</u> | <u>321,255</u> | <u>18,780</u> |
| Expenditures: | | | | |
| Debt Service: | | | | |
| Principal | 155,000 | 155,000 | 155,000 | - |
| Interest and Other Charges | 194,363 | 194,363 | 191,888 | 2,475 |
| Total Expenditures | <u>349,363</u> | <u>349,363</u> | <u>346,888</u> | <u>2,475</u> |
| Excess (Deficiency) of Revenues Over Expenditures | <u>(46,888)</u> | <u>(46,888)</u> | <u>(25,633)</u> | <u>21,255</u> |
| Other Financing Sources: | | | | |
| Transfers In | 46,888 | 46,888 | 408,611 | 361,723 |
| Net Change in Fund Balance | - | - | 382,978 | 382,978 |
| Fund Balance - Beginning of Year | - | - | 1,789,207 | 1,789,207 |
| Fund Balance - End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,172,185</u> | <u>\$ 2,172,185</u> |

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FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the City in a trustee capacity.

Firefighters and Police Officers (FIPO) – This Pension Trust Fund is used to account for the accumulation of resources to be used for retirement benefits to Police and Firefighters. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by annual actuarial valuations.

General Employees and Sanitation Employees (GESE) – These Pension Trust Funds are used to account for the three separate GESE Plans (GESE Members, Excess Plan and Staff Plan). The funds are used to account for the accumulation of resources to be used for retirement benefits to City employees, other than police and firefighters. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by annual actuarial valuations.

City of Miami Elected Officers' Retirement Trust (EORT) – Funds are used to account for the accumulation of resources to be used for retirement benefits to elected officials. Resources are contributed by the City in amounts determined by actuarial valuations.

City of Miami, Florida
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2007

| | Employee Retirement Funds | | | | | Totals |
|------------------------------------|----------------------------------|---|---|--|---|---------------------------------|
| | Firefighter and Police (FIPO) | General and Sanitation (GESE) (Members) | General and Sanitation (GESE) (Excess Plan) | General and Sanitation (GESE) (Staff Plan) | Elected Officer's Retirement Trust (EORT) | Employee Retirement Funds |
| Assets | | | | | | |
| Cash and Short-Term Investments | \$ 57,946,925 | \$ 620,090 | \$ 47,194 | \$ 973 | \$ 175 | \$ 58,615,357 |
| Accounts Receivable | 14,443,057 | 3,025,296 | 2,915 | 6,890 | - | 17,478,158 |
| Capital Assets | 2,213,542 | 2,826,781 | - | - | - | 5,040,323 |
| | <u>74,603,524</u> | <u>6,472,167</u> | <u>50,109</u> | <u>7,863</u> | <u>175</u> | <u>81,133,838</u> |
| Investments, at fair value | | | | | | |
| U.S. Government Obligations | 213,927,279 | 67,756,276 | - | - | 2,144,885 | 283,828,440 |
| Corporate Bonds | 196,610,252 | 70,651,651 | - | - | - | 267,261,903 |
| Corporate Stocks | 879,888,544 | 480,869,983 | - | - | - | 1,360,758,527 |
| Money Market Funds | - | 24,403,952 | - | 1,134,340 | 1,406,601 | 26,944,893 |
| International Equity | 111,978,836 | - | - | - | - | 111,978,836 |
| Mutual Funds | 43,795,372 | - | - | - | - | 43,795,372 |
| Real Estate | 140,759,205 | 47,473,494 | - | - | - | 188,232,699 |
| Private Equity | 10,158,227 | - | - | - | - | 10,158,227 |
| Total Investments | <u>1,597,117,715</u> | <u>691,155,356</u> | <u>-</u> | <u>1,134,340</u> | <u>3,551,486</u> | <u>2,292,958,897</u> |
| Securities Lending Collateral | 230,426,969 | - | - | - | - | 230,426,969 |
| Total Assets | <u>1,902,148,208</u> | <u>697,627,523</u> | <u>50,109</u> | <u>1,142,203</u> | <u>3,551,661</u> | <u>2,604,519,704</u> |
| Liabilities | | | | | | |
| Obligations Under Security Lending | 230,426,969 | - | - | - | - | 230,426,969 |
| Accounts Payable | 258,604 | 1,078,994 | 50,109 | 924 | - | 1,388,631 |
| Accrued Liabilities | 43,795,372 | - | - | - | - | 43,795,372 |
| Payable for Securities Purchased | 26,856,834 | 2,246,196 | - | - | - | 29,103,030 |
| Total Liabilities | <u>301,337,779</u> | <u>3,325,190</u> | <u>50,109</u> | <u>924</u> | <u>-</u> | <u>304,714,002</u> |
| Net Assets | | | | | | |
| Held in Trust for Pension Benefits | <u>\$ 1,600,810,429</u> | <u>\$ 694,302,333</u> | <u>\$ -</u> | <u>\$ 1,141,279</u> | <u>\$ 3,551,661</u> | <u>\$ 2,299,805,702</u> |

City of Miami, Florida
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended September 30, 2007

| | Employee Retirement Funds | | | | | Totals |
|--|----------------------------------|---|---|--|---|---------------------------------|
| | Firefighter and Police (FIPO) | General and Sanitation (GESE) (Members) | General and Sanitation (GESE) (Excess Plan) | General and Sanitation (GESE) (Staff Plan) | Elected Officer's Retirement Trust (EORT) | Employee Retirement Funds |
| Additions | | | | | | |
| Contributions: | | | | | | |
| Employer | \$ 40,542,078 | \$ 24,229,028 | \$ 476,252 | \$ 57,995 | \$ 285,408 | \$ 65,590,761 |
| Plan Members | 14,702,629 | 8,819,536 | - | 64,994 | - | 23,587,159 |
| Total Contributions | <u>55,244,707</u> | <u>33,048,564</u> | <u>476,252</u> | <u>122,989</u> | <u>285,408</u> | <u>89,177,920</u> |
| Investment Earnings: | | | | | | |
| Net Increase in Fair Value of Investments | 168,635,171 | 77,034,015 | - | 76,899 | - | 245,746,085 |
| Interest | 23,713,164 | 9,082,704 | - | 26,712 | 152,369 | 32,974,949 |
| Dividends | 13,719,212 | 5,398,192 | - | 7,105 | - | 19,124,509 |
| Other Income, net | 1,822,482 | 336,674 | - | - | - | 2,159,156 |
| Total Investment Earnings | <u>207,890,029</u> | <u>91,851,585</u> | <u>-</u> | <u>110,716</u> | <u>152,369</u> | <u>300,004,699</u> |
| Less Investment Expenses | 5,846,372 | 2,788,072 | - | 3,567 | - | 8,638,011 |
| Net Investment Earnings | <u>202,043,657</u> | <u>89,063,513</u> | <u>-</u> | <u>107,149</u> | <u>152,369</u> | <u>291,366,688</u> |
| Reimbursement Income from City | - | 2,492,693 | 31,662 | - | - | 2,524,355 |
| Total Additions | <u>257,288,364</u> | <u>124,604,770</u> | <u>507,914</u> | <u>230,138</u> | <u>437,777</u> | <u>383,068,963</u> |
| Deductions | | | | | | |
| Benefits | 72,350,441 | 50,106,211 | 476,252 | - | 128,281 | 123,061,185 |
| Refunds Upon Resignation, Death, etc. | 336,458 | 1,667,243 | - | 2,623 | - | 2,006,324 |
| Distribution to Retirees | 13,304,749 | - | - | - | - | 13,304,749 |
| Administrative and Other Expenses | 42,725 | 2,521,339 | 31,662 | - | - | 2,595,726 |
| Total Deductions | <u>86,034,373</u> | <u>54,294,793</u> | <u>507,914</u> | <u>2,623</u> | <u>128,281</u> | <u>140,967,984</u> |
| Change in Net Assets | 171,253,991 | 70,309,977 | - | 227,515 | 309,496 | 242,100,979 |
| Net Assets - Beginning of Year | 1,429,556,438 | 623,992,356 | - | 913,764 | 3,242,165 | 2,057,704,723 |
| Net Assets - End of Year | <u>\$ 1,600,810,429</u> | <u>\$ 694,302,333</u> | <u>\$ -</u> | <u>\$ 1,141,279</u> | <u>\$ 3,551,661</u> | <u>\$ 2,299,805,702</u> |

STATISTICAL SECTION

This part of the City of Miami, Florida's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

| <u>Contents</u> | <u>Page</u> |
|---|-------------|
| Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i> | 132 |
| Revenue Capacity <i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i> | 138 |
| Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i> | 142 |
| Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i> | 147 |
| Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i> | 149 |

Sources: Unless other wise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

CITY OF MIAMI, FLORIDA
NET ASSETS BY COMPONENT
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal Year | | | | | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| Primary Government | | | | | | |
| Invested in Capital Assets, Net of Related Debt | \$ 598,154,380 | \$ 618,784,135 | \$ 586,493,178 | \$ 608,958,407 | \$ 640,931,069 | \$ 730,272,844 |
| Restricted | 115,031,965 | 114,327,395 | 149,143,544 | 153,641,905 | 188,895,278 | 102,602,464 |
| Unrestricted | (16,932,986) | (35,234,348) | (64,134,990) | (82,047,220) | (98,069,477) | (93,712,582) |
| Total Primary Government Net Assets | \$ 696,253,359 | \$ 697,877,182 | \$ 671,501,732 | \$ 680,553,092 | \$ 731,756,870 | \$ 739,162,726 |

Notes:

- (1) Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34.
Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.
- (2) The City does not have any business type activities for financial reporting purposes

**CITY OF MIAMI, FLORIDA
CHANGES IN NET ASSETS
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

| | Fiscal Year | | | | | |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| Expenses | | | | | | |
| Governmental Activities: | | | | | | |
| General Government | \$ 94,349,348 | \$ 85,176,588 | \$ 85,252,892 | \$ 78,336,822 | \$ 85,315,437 | \$ 121,694,219 |
| Planning and Development | 13,289,988 | 13,579,968 | 13,148,696 | 16,259,651 | 16,911,621 | 16,923,477 |
| Community Development | 47,186,103 | 32,088,517 | 40,349,703 | 55,264,647 | 41,054,245 | 35,486,773 |
| Community Redevelopment Areas | 6,125,242 | 6,477,916 | 4,618,714 | 4,968,422 | 6,331,328 | 7,011,132 |
| Public Works | 53,950,238 | 60,708,046 | 49,498,193 | 70,987,541 | 65,958,181 | 75,073,321 |
| Public Safety | 200,727,361 | 226,580,865 | 282,427,868 | 325,533,600 | 347,976,631 | 343,470,082 |
| Public Facilities | 9,832,601 | 10,561,373 | 17,458,726 | 12,949,751 | 14,917,431 | 16,691,365 |
| Parks and Recreation | 19,550,960 | 20,152,074 | 44,275,606 | 24,293,055 | 25,718,056 | 39,893,208 |
| Interest on Long-Term Debt | 17,252,301 | 19,489,387 | 23,235,705 | 22,201,669 | 21,560,094 | 23,859,254 |
| Unallocated Depreciation | 25,765,566 | 25,765,567 | 26,147,570 | 26,147,088 | 26,690,642 | 29,548,332 |
| Total Primary Government Expenses | 488,029,708 | 500,580,301 | 586,413,673 | 636,942,246 | 652,433,666 | 709,651,163 |
| Program Revenues | | | | | | |
| Governmental Activities: | | | | | | |
| Charges for Services: | | | | | | |
| General Government | 25,145,862 | 38,112,181 | 48,955,278 | 41,775,235 | 51,161,759 | 33,403,595 |
| Planning and Development | 16,639,268 | 12,192,540 | 14,352,919 | 23,964,447 | 22,799,725 | 24,558,217 |
| Community Development | 3,121,251 | 2,058,660 | 2,069,068 | 777,291 | 4,053,520 | 2,301,538 |
| Community Redevelopment Areas | 2,848,509 | 310,182 | 220,517 | 45,163 | 214,142 | 1,414,979 |
| Public Works | 45,174,858 | 39,697,353 | 42,608,182 | 47,278,720 | 51,888,525 | 46,587,956 |
| Public Safety | 46,840,040 | 48,061,754 | 48,507,121 | 47,488,375 | 39,193,653 | 22,952,364 |
| Public Facilities | 13,605,750 | 16,273,110 | 16,736,649 | 22,792,948 | 25,137,318 | 6,558,800 |
| Parks and Recreation | 2,416,563 | 2,446,385 | 3,308,314 | 1,901,403 | 2,406,099 | 3,488,492 |
| Operating Grants and Contributions | 51,137,825 | 34,441,899 | 42,967,708 | 59,414,862 | 34,889,443 | 71,070,882 |
| Capital Grants and Contributions | 23,053,287 | 9,646,560 | 19,952,074 | 38,161,382 | 72,067,622 | 69,140,730 |
| Total Primary Government Program Revenues | 229,983,213 | 203,240,624 | 239,677,830 | 283,599,826 | 303,811,806 | 281,477,553 |
| Net (Expense)/Revenue | | | | | | |
| Total Primary Government Net Expense | \$ (258,046,495) | \$ (297,339,677) | \$ (346,735,843) | \$ (353,342,420) | \$ (348,621,860) | \$ (428,173,610) |
| General Revenues and Other Changes in Net Assets | | | | | | |
| Governmental Activities: | | | | | | |
| Taxes | | | | | | |
| Property Taxes, Levied for General Purposes | \$ 133,633,077 | \$ 146,828,411 | \$ 163,056,413 | \$ 191,640,650 | \$ 226,508,118 | \$ 275,012,727 |
| Property Taxes, Levied for Debt Service | 17,981,523 | 19,941,880 | 19,932,162 | 20,368,722 | 19,966,467 | 19,886,776 |
| Franchise Taxes | 28,390,470 | 31,556,387 | 35,024,215 | 35,918,724 | 41,342,214 | 42,257,282 |
| State Revenue Sharing - Unrestricted | 15,359,613 | 9,104,046 | 10,351,506 | 12,581,352 | 12,947,019 | 13,073,886 |
| Sales and Other Use Tax | 21,285,227 | 22,721,472 | 22,279,656 | 23,422,160 | 25,800,341 | 25,505,412 |
| Public Service Taxes | 58,314,804 | 58,900,480 | 60,024,832 | 61,114,292 | 57,991,178 | 58,099,069 |
| Investment Earnings - Unrestricted | 10,645,639 | 8,833,535 | 5,618,813 | 5,866,114 | 14,477,950 | 23,837,450 |
| Gain (Loss) on Disposal of Capital Assets | - | - | - | (3,387,124) | - | 1,502,044 |
| Other | 4,035,765 | 1,077,289 | 4,072,796 | 1,891,124 | 768,767 | - |
| Special Item - Impairment Loss on Capital Assets | - | - | - | - | - | (23,595,180) |
| Total Primary Government | 289,646,118 | 298,963,500 | 320,360,393 | 349,416,014 | 399,802,054 | 435,579,466 |
| Change in Net Assets | | | | | | |
| Total Primary Government | \$ 31,599,623 | \$ 1,623,823 | \$ (26,375,450) | \$ (3,926,406) | \$ 51,180,194 | \$ 7,405,856 |

Notes:

- (1) Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.
- (2) The City does not have any business type activities for financial reporting purposes.

CITY OF MIAMI, FLORIDA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST FIVE FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| Fiscal Year | Ad Valorem Taxes General Purpose | Ad Valorem Taxes Debt Service | Franchise Taxes | Sales and Other Use Taxes | Communication Service Taxes | Total |
|----------------|--|-------------------------------------|--------------------|---------------------------------|-----------------------------------|----------------|
| 2002 | \$ 133,633,077 | \$ 17,981,523 | \$ 28,390,470 | \$ 21,285,227 | \$ 58,314,804 | \$ 259,605,101 |
| 2003 | 146,828,411 | 19,941,880 | 31,556,387 | 22,721,472 | 58,900,480 | 279,948,630 |
| 2004 | 163,056,413 | 19,932,162 | 35,024,215 | 22,279,656 | 60,024,832 | 300,317,278 |
| 2005 | 191,640,650 | 20,368,722 | 35,918,724 | 23,422,160 | 61,114,292 | 332,464,548 |
| 2006 | 226,508,118 | 19,966,467 | 41,342,214 | 25,800,341 | 57,991,178 | 371,608,318 |
| 2007 | 275,012,727 | 19,886,776 | 42,257,282 | 25,505,412 | 58,099,069 | 420,761,266 |

Note: Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

CITY OF MIAMI, FLORIDA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST FIVE FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal Year | | | | | |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| General Fund | | | | | | |
| Reserved | \$ 3,205,250 | \$ 4,957,194 | \$ 3,439,120 | \$ 3,224,542 | \$ 894,059 | \$ 3,768,826 |
| Unreserved | 138,322,603 | 136,905,142 | 133,413,642 | 113,880,513 | 125,362,454 | 96,681,318 |
| Total General Fund | <u>\$ 141,527,853</u> | <u>\$ 141,862,336</u> | <u>\$ 136,852,762</u> | <u>\$ 117,105,055</u> | <u>\$ 126,256,513</u> | <u>\$ 100,450,144</u> |
| All Other Governmental Funds | | | | | | |
| Reserved | \$ 50,030,424 | \$ 47,462,015 | \$ 59,142,160 | \$ 78,343,670 | \$ 96,569,917 | \$ 110,160,478 |
| Unreserved designated | - | - | - | - | - | 12,859,516 |
| Unreserved, reported in: | | | | | | |
| Special Revenue Funds | 37,641,587 | 42,890,394 | 47,901,687 | 49,180,840 | 43,934,094 | 7,995,266 |
| Debt Service Funds | - | - | 1,150,000 | 2,691,656 | - | 3,443,149 |
| Capital Projects Funds | 248,291,182 | 253,413,002 | 241,854,585 | 175,505,411 | 131,018,373 | 123,498,283 |
| Total All Other Governmental Funds | <u>\$ 335,963,193</u> | <u>\$ 343,765,411</u> | <u>\$ 350,048,432</u> | <u>\$ 305,721,577</u> | <u>\$ 271,522,384</u> | <u>\$ 257,956,692</u> |

Notes:

- (1) Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

CITY OF MIAMI, FLORIDA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST FIVE FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| | Fiscal Year | | | | | |
|---|-----------------------|---------------------|---------------------|------------------------|------------------------|------------------------|
| | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
| Revenues | | | | | | |
| Property Taxes | \$ 151,466,110 | \$ 165,276,692 | \$ 186,501,954 | \$ 208,091,814 | \$ 246,337,333 | \$ 294,251,152 |
| Franchise and Other Taxes | 82,420,792 | 90,536,519 | 102,811,047 | 92,714,383 | 98,243,722 | 100,356,351 |
| Licenses and Permits | 21,375,993 | 21,469,973 | 23,011,688 | 27,394,427 | 28,468,593 | 32,848,055 |
| Fines and Forfeitures | 7,873,608 | 6,171,539 | 5,649,452 | 5,777,697 | 5,912,300 | 7,541,812 |
| Intergovernmental Revenues | 119,200,594 | 95,596,305 | 124,153,113 | 161,745,250 | 174,074,303 | 150,040,391 |
| Charges for Services | 112,810,566 | 98,801,168 | 102,172,563 | 110,483,424 | 106,682,451 | 89,589,154 |
| Interest | 14,361,868 | 12,869,537 | 9,054,422 | 8,715,234 | 18,979,204 | 23,837,450 |
| Impact Fees | 2,518,983 | 1,016,942 | 3,743,183 | 9,256,637 | 9,388,192 | 4,017,110 |
| Other | 11,819,604 | 9,518,349 | 15,370,429 | 5,721,312 | 15,376,683 | 9,369,810 |
| Total Revenues | 523,848,118 | 501,257,024 | 572,467,851 | 629,900,178 | 703,462,781 | 711,851,285 |
| Expenditures | | | | | | |
| General Government | 90,559,876 | 79,149,782 | 71,744,631 | 44,713,551 | 49,995,402 | 57,669,544 |
| Planning and Development | 8,697,063 | 10,060,699 | 12,420,765 | 12,858,675 | 12,740,678 | 11,862,685 |
| Community Development | 47,497,163 | 32,025,868 | 39,073,478 | 57,803,782 | 40,978,910 | 35,325,497 |
| Community Redevelopment Area: | 6,055,846 | 6,935,388 | 4,610,070 | 4,608,027 | 5,982,541 | 5,314,468 |
| Public Works | 46,334,524 | 50,591,533 | 56,926,608 | 48,266,766 | 50,579,908 | 56,484,364 |
| Public Safety | 181,544,596 | 209,518,537 | 265,574,068 | 222,377,919 | 251,914,610 | 256,691,572 |
| Public Facilities | 7,926,285 | 7,867,401 | 10,243,873 | 11,426,487 | 11,795,688 | 13,455,945 |
| Parks and Recreation | 12,920,245 | 14,987,253 | 16,682,057 | 17,261,022 | 17,896,247 | 30,637,506 |
| Risk Management (2) | - | - | - | 29,162,254 | 25,546,486 | 18,115,929 |
| Pensions (2) | - | - | - | 73,862,309 | 78,864,757 | 70,708,285 |
| Organizational Support (2) | - | - | - | 23,917,033 | 25,161,646 | 35,122,459 |
| Non-Departmental (2) | - | - | - | 12,926,933 | 13,204,324 | 28,490,230 |
| Debt Service: | | | | | | |
| Principal | 23,073,400 | 22,056,400 | 19,839,464 | 18,770,229 | 19,218,795 | 20,887,276 |
| Interest and Other Charges | 19,336,603 | 17,834,229 | 22,694,233 | 21,822,857 | 21,650,889 | 24,346,064 |
| Debt Issuance Costs | - | - | - | - | - | 6,988,908 |
| Capital Outlay | 45,276,403 | 42,570,640 | 54,707,004 | 94,680,930 | 103,894,188 | 124,264,229 |
| Total Expenditures | 489,222,004 | 493,597,730 | 574,516,251 | 694,458,774 | 729,425,069 | 796,364,961 |
| Excess (Deficiency) of Revenues | | | | | | |
| Over Expenditures | 34,626,114 | 7,659,294 | (2,048,400) | (64,558,596) | (25,962,288) | (84,513,676) |
| Other Financing Sources (Uses) | | | | | | |
| Transfers In | 142,497,540 | 162,945,393 | 224,948,344 | 204,247,939 | 229,700,739 | 278,006,434 |
| Transfers Out | (142,497,540) | (162,945,393) | (224,948,344) | (204,247,939) | (229,700,739) | (278,006,434) |
| Sale of Property | - | - | - | - | - | 1,502,044 |
| Proceeds Received From Refunding | 73,575,000 | 47,070,000 | 4,180,000 | - | - | 138,841,992 |
| Payment To Escrow Agent For Refunding | (69,980,000) | (46,592,593) | (4,062,502) | - | - | (131,775,000) |
| Proceeds Received For Long-Term capital | 155,130,087 | - | - | - | - | 50,969,202 |
| Loan | - | - | - | - | 1,000 | - |
| Capital Leases | - | - | 3,204,349 | - | - | - |
| Sale of Capital Assets | - | - | - | 500,000 | 889,969 | - |
| Total Other Financing Sources | 158,725,087 | 477,407 | 3,321,847 | 500,000 | 890,969 | 59,538,238 |
| Net Change In Fund Balances | \$ 193,351,201 | \$ 8,136,701 | \$ 1,273,447 | \$ (64,058,596) | \$ (25,071,319) | \$ (24,975,438) |
| Debt Service as a Percentage | | | | | | |
| of Non-Capital Expenditures | 9.55% | 8.84% | 8.18% | 6.76% | 6.53% | 6.91% |

Notes:

- (1) Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34. *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.*
- (2) The City, in the 2005 fiscal year, revised the reporting for these functions in the governmental funds. Previously, these amounts were included in other functions.
- (3) Expenditures for capital assets on page 18 is \$142,176,246 instead of \$124,264,229 above because \$17,912,017 of capital assets were charged to the various functions as expenditures instead of through the Capital Project Funds. These amounts are included in the reconciliation of capital assets on page 49.

CITY OF MIAMI, FLORIDA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST FIVE FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

| Fiscal Year | Ad Valorem Taxes General Purpose | Ad Valorem Taxes Debt Service | Franchise Taxes | Sales and Other Use Taxes | Communication Services Taxes | Total |
|----------------|--|-------------------------------------|--------------------|---------------------------------|------------------------------------|----------------|
| 2002 | \$ 133,398,797 | \$ 18,067,313 | \$ 28,390,470 | \$ 21,285,227 | \$ 58,314,804 | \$ 259,456,611 |
| 2003 | 145,520,698 | 19,755,994 | 31,556,387 | 22,721,472 | 58,900,480 | 278,455,031 |
| 2004 | 166,121,214 | 20,380,740 | 35,024,215 | 22,279,656 | 67,786,829 | 311,592,654 |
| 2005 | 187,998,820 | 20,092,994 | 35,918,724 | 23,422,160 | 56,795,255 | 324,227,953 |
| 2006 | 226,304,681 | 20,032,652 | 41,342,214 | 25,800,341 | 56,900,497 | 370,380,385 |
| 2007 | 275,012,727 | 19,886,776 | 42,257,282 | 25,505,412 | 58,099,069 | 420,761,266 |

Note: Data not available prior to fiscal 2002 implementation of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

CITY OF MIAMI, FLORIDA
NET ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

| Fiscal Year Ended September 30, | Real Property | | | Net Assessed Value | Total Direct Tax Rate | Estimated Actual Value | Net Assessed Value as a Percentage of Estimated Actual Value (1) |
|---------------------------------------|-------------------------|------------------------|----------------------|--------------------------|--------------------------------|------------------------------|--|
| | Residential Property | Commercial Property | Personal Property | | | | |
| 1998 | \$ 5,183,731,875 | \$ 5,183,760,882 | \$ 1,329,476,797 | \$ 11,696,969,554 | 11.52 | \$ 17,112,988,091 | 68.35% |
| 1999 | 5,476,130,675 | 5,564,886,455 | 1,334,992,653 | 12,376,009,783 | 11.79 | 17,901,918,921 | 69.13% |
| 2000 | 5,796,864,025 | 5,835,981,002 | 1,480,211,283 | 13,113,056,310 | 10.90 | 18,857,553,034 | 69.54% |
| 2001 | 6,000,474,083 | 6,113,340,757 | 1,657,551,519 | 13,771,366,359 | 10.28 | 20,061,032,742 | 68.65% |
| 2002 | 6,612,151,524 | 6,730,517,606 | 1,770,392,311 | 15,113,061,441 | 10.21 | 22,035,829,555 | 68.58% |
| 2003 | 7,679,048,886 | 7,380,571,799 | 1,878,266,085 | 16,937,886,770 | 10.07 | 24,759,964,620 | 68.41% |
| 2004 | 8,789,474,779 | 8,369,950,851 | 1,711,697,688 | 18,871,123,318 | 9.84 | 27,717,908,682 | 68.08% |
| 2005 | 10,364,157,774 | 9,870,433,741 | 1,695,110,542 | 21,929,702,057 | 9.67 | 32,133,104,422 | 68.25% |
| 2006 | 12,959,276,770 | 12,341,927,389 | 1,676,173,129 | 26,977,377,288 | 9.26 | 39,120,899,711 | 68.96% |
| 2007 | 20,320,801,612 | 11,038,460,135 | 1,673,647,599 | 33,032,909,346 | 7.88 | 47,925,276,742 | 68.93% |

Source: Miami-Dade County Property Appraiser's Office.

Note: Property in the City is reassessed each year. State law requires the Property Appraiser to appraise property at 100% of market value. The Florida Constitution was amended, effective January 1, 1995, to limit annual increases in assessed value of property with homestead exemption to 3 percent per year or the amount of the Consumer Price Index, whichever is lower. The increase is not automatic since no assessed value shall exceed market value. Tax rates are per \$1,000 of assessed value.

(1) Includes tax-exempt property.

CITY OF MIAMI, FLORIDA
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

| Fiscal Year | Tax Roll Year | City of Miami, Florida | | | Overlapping Rates (1) | | | | | | | Total Direct and Overlapping Rates |
|-------------|---------------|------------------------|--------------|------------|--------------------------------|-------------------|-----------------------------|----------------------------------|---|------------------------|------------------------------------|------------------------------------|
| | | General Operations | Debt Service | Total City | Miami-Dade County School Board | Miami-Dade County | Miami-Dade Children's Trust | Miami-Dade County Library System | South Florida Water Management District | Environmental Projects | Florida Inland Navigation District | |
| 1998 | 1997 | 9.5995 | 1.9200 | 11.5195 | 10.5620 | 6.9520 | - | 0.3160 | 0.5970 | - | 0.0500 | 29.9965 |
| 1999 | 1998 | 10.0000 | 1.7900 | 11.7900 | 10.2600 | 6.8600 | - | 0.3340 | 0.5970 | - | 0.0470 | 29.8880 |
| 2000 | 1999 | 9.5000 | 1.4000 | 10.9000 | 9.7440 | 6.6250 | - | 0.3210 | 0.5970 | - | 0.0440 | 28.2310 |
| 2001 | 2000 | 8.9950 | 1.2800 | 10.2750 | 9.7170 | 6.4030 | - | 0.3510 | 0.5970 | - | 0.0410 | 27.3840 |
| 2002 | 2001 | 8.9950 | 1.2180 | 10.2130 | 9.4760 | 6.2650 | - | 0.4510 | 0.5970 | - | 0.0385 | 27.0405 |
| 2003 | 2002 | 8.8500 | 1.2180 | 10.0680 | 9.3520 | 6.2790 | - | 0.4860 | 0.5970 | - | 0.0385 | 26.8205 |
| 2004 | 2003 | 8.7625 | 1.0800 | 9.8425 | 9.2000 | 6.2540 | 0.5000 | 0.4860 | 0.5970 | - | 0.0385 | 26.9180 |
| 2005 | 2004 | 8.71625 | 0.9500 | 9.6663 | 8.6870 | 6.2200 | 0.4442 | 0.4860 | 0.5970 | 0.1000 | 0.0385 | 26.23895 |
| 2006 | 2005 | 8.49950 | 0.7650 | 9.2645 | 8.4380 | 6.1200 | 0.4288 | 0.4860 | 0.5970 | 0.1000 | 0.0385 | 25.47280 |
| 2007 | 2006 | 7.29990 | 0.5776 | 7.8775 | 7.9480 | 4.8646 | 0.4223 | 0.3842 | 0.5346 | 0.0894 | 0.0345 | 22.15510 |

Sources: City of Miami, Florida Finance Department and Miami-Dade County Property Appraiser's Office.

Note: All millage rates are based on \$1 for every \$1,000 of assessed value.

(1) Overlapping rates are those of local and county governments that apply to property owners within the City of Miami, Florida. Not all overlapping rates apply to all City of Miami, Florida property owners (i.e. the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

**CITY OF MIAMI, FLORIDA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

| 2007 | | | |
|------------------------------|-------------------------|------|--|
| Taxpayer | Net Assessed Value | Rank | Percent of Total City Net Assessed Value |
| Teachers Ins & Annuity Assoc | \$ 262,400,000 | 1 | 0.79% |
| SRI Miami Ventures, LP | 287,500,000 | 2 | 0.87% |
| Florida Power & Light | 256,476,419 | 3 | 0.78% |
| Crescent Miami Center | 163,000,000 | 4 | 0.49% |
| 1111 Brickell Office LLC | 128,800,000 | 5 | 0.39% |
| Miami Herald Publishing Co. | 121,636,670 | 6 | 0.37% |
| City National Bank of Fla. | 96,241,152 | 7 | 0.29% |
| Trustees of L&B | 92,005,919 | 8 | 0.28% |
| Blue Capital US East | 91,200,000 | 9 | 0.28% |
| Cedars Healthcare Group | 89,351,175 | 10 | 0.27% |
| | <u>\$ 1,588,611,335</u> | | <u>4.81%</u> |

| 1998 | | | |
|----------------------------|-------------------------|------|--|
| Taxpayer | Net Assessed Value | Rank | Percent of Total City Net Assessed Value |
| Florida Power & Light | \$ 160,129,467 | 2 | 1.37% |
| SRI Aetna Life Insurance | 177,000,000 | 1 | 1.51% |
| Southern Bell Telephone | 149,114,535 | 3 | 1.27% |
| Metropolitan Life Ins. Co. | 131,500,000 | 4 | 1.12% |
| Prudential Insurance Co. | 112,900,000 | 5 | 0.97% |
| Swire Properties | 92,916,411 | 6 | 0.79% |
| Brickell Associates | 81,000,000 | 7 | 0.69% |
| Brickell Square | 61,500,000 | 8 | 0.53% |
| Rouse-Miami Inc | 60,923,217 | 9 | 0.52% |
| Inter-Continental | 58,100,000 | 10 | 0.50% |
| | <u>\$ 1,085,083,630</u> | | <u>9.27%</u> |

**CITY OF MIAMI, FLORIDA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

| Fiscal Year Ended September 30, | Total Taxes Levied for Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Year's | Total Collections to Date | |
|---------------------------------------|---|--|--------------------|--|------------------------------|--------------------|
| | | Amount | Percent of Levy | | Amount | Percent of Levy |
| 1998 | \$ 134,743,241 | \$ 127,911,000 | 94.93% | \$ 6,330,294 | \$ 134,241,294 | 99.63% |
| 1999 | 145,913,155 | 143,515,000 | 98.36% | 1,405,841 | 144,920,841 | 99.32% |
| 2000 | 142,932,314 | 136,028,063 | 95.17% | 6,174,244 | 142,202,307 | 99.49% |
| 2001 | 141,425,410 | 134,535,715 | 95.13% | 5,959,373 | 140,495,088 | 99.34% |
| 2002 | 152,339,301 | 146,185,141 | 95.96% | 4,079,641 | 150,264,782 | 98.64% |
| 2003 | 167,490,551 | 157,339,038 | 93.94% | 7,735,274 | 165,074,312 | 98.56% |
| 2004 | 186,253,134 | 183,845,937 | 98.71% | 1,640,252 | 185,486,189 | 99.59% |
| 2005 | 208,091,814 | 199,072,981 | 95.67% | 2,379,977 | 201,452,958 | 96.81% |
| 2006 | 242,077,783 | 234,361,909 | 96.82% | 3,801,414 | 238,163,323 | 98.38% |
| 2007 | 285,049,684 | 278,643,733 | 97.76% | - | 278,643,733 | 97.75% |

Source: City of Miami, Finance Department and Miami-Dade County Tax Collector's Office

CITY OF MIAMI, FLORIDA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

| Fiscal Year Ended September 30, | Governmental Activities | | | | Total | Percent of Personal Income (1) | Per Capita (1) |
|---------------------------------------|--------------------------------|------------------|------------------|-------------------|----------------|--------------------------------------|-------------------|
| | General Obligation Bonds | Revenue Bonds | Loans Payable | Capital Leases | | | |
| 1998 | \$ 142,755,000 | \$ 156,146,325 | \$ 72,689,364 | \$ 2,274,808 | \$ 373,865,497 | 2.34% | \$ 1,023 |
| 1999 | 130,205,000 | 149,331,325 | 67,923,364 | 1,515,833 | 348,975,522 | 2.60% | 955 |
| 2000 | 119,150,000 | 142,061,325 | 65,357,964 | 593,800 | 327,163,089 | 2.92% | 895 |
| 2001 | 107,620,000 | 134,531,325 | 62,040,564 | - | 304,191,889 | 3.17% | 839 |
| 2002 | 252,615,822 | 128,861,019 | 58,877,164 | - | 440,354,005 | 2.20% | 1,215 |
| 2003 | 236,549,956 | 151,566,324 | 28,230,764 | - | 416,347,044 | 2.40% | 1,149 |
| 2004 | 225,944,956 | 145,130,260 | 25,567,364 | 2,525,936 | 399,168,516 | N/A | 1,101 |
| 2005 | 215,729,956 | 138,676,431 | 23,465,964 | 1,921,177 | 379,793,528 | N/A | 1,048 |
| 2006 | 205,306,932 | 132,131,060 | 21,216,564 | 1,298,941 | 359,953,497 | N/A | 993 |
| 2007 | 245,689,409 | 125,969,708 | 24,120,164 | 658,722 | 396,438,003 | N/A | 1,094 |

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics on page 147 for personal income and population data.

N/A: Information not available

CITY OF MIAMI, FLORIDA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

| Fiscal Year Ended September 30, | General Obligation Bonds | Less Amounts Available in Debt Service Fund | Total | Percentage of Estimated Actual Taxable Value of Property (1) | Per Capita (2) |
|---------------------------------------|--------------------------------|--|----------------|--|-------------------|
| 1998 | \$ 142,755,000 | \$ 2,645,000 | \$ 140,110,000 | 0.819% | \$ 383 |
| 1999 | 130,205,000 | 4,280,363 | 125,924,637 | 0.703% | 344.48 |
| 2000 | 119,150,000 | 4,314,466 | 114,835,534 | 0.609% | 314.15 |
| 2001 | 107,620,000 | 3,795,503 | 103,824,497 | 0.518% | 286.44 |
| 2002 | 249,711,406 | 5,140,714 | 244,570,692 | 1.110% | 674.73 |
| 2003 | 236,549,956 | 1,410,866 | 235,139,090 | 0.950% | 648.71 |
| 2004 | 225,944,956 | 966,126 | 224,978,830 | 0.812% | 620.68 |
| 2005 | 215,729,956 | 1,512,591 | 214,217,365 | 0.667% | 590.99 |
| 2006 | 205,306,932 | 1,994,991 | 203,311,941 | 0.520% | 560.91 |
| 2007 | 245,689,409 | 2,304,217 | 243,385,192 | 0.508% | 671.46 |

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

- (1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 138 for property value data.
- (2) See the Schedule of Demographic and Economic Statistics on page 147 for population data.

**CITY OF MIAMI, FLORIDA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF SEPTEMBER 30, 2007**

| Government Unit | Net Debt Outstanding | Percentage Applicable to the City of Miami (1) | Amount Applicable to the City of Miami |
|--|----------------------------|---|---|
| Debt Repaid With Property Taxes: | | | |
| Miami-Dade County | \$ 472,236,000 | 19.00% | \$ 89,724,840 |
| Miami-Dade County School Board | 475,919,000 | 19.00% | 90,424,610 |
| Subtotal, Overlapping Debt | | | <u>180,149,450</u> |
| City of Miami, Florida Direct Debt (excludes special obligation, revenue bonds, loans and capital leases) | | | <u>245,689,409</u> |
| Total Direct and Overlapping Debt | | | <u><u>\$ 425,838,859</u></u> |

Sources: Data provided by the Miami-Dade County Finance Department and the Miami-Dade County School Board.

N Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Miami. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- 1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Value that is within the City's boundaries and dividing it by the County's and School Board's total taxable assessed value. This approach was also used for the other debt.

**CITY OF MIAMI, FLORIDA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Debt Limit | \$ 1,754,545,433 | \$ 1,856,401,467 | \$ 1,966,958,447 | \$ 2,065,704,949 | \$ 2,266,959,216 | \$ 2,540,683,016 | \$ 2,830,668,498 | \$ 3,289,455,309 | \$ 4,046,606,593 | \$ 4,954,936,402 |
| Total Net Debt Applicable to Limit | 139,360,000 | 127,927,234 | 114,914,079 | 103,824,851 | 249,711,407 | 236,549,956 | 224,978,830 | 214,217,365 | 203,311,941 | 243,385,192 |
| Legal Debt Margin | \$ 1,615,185,433 | \$ 1,728,474,233 | \$ 1,852,044,368 | \$ 1,961,880,098 | \$ 2,017,247,809 | \$ 2,304,133,060 | \$ 2,605,689,668 | \$ 3,075,237,944 | \$ 3,843,294,652 | \$ 4,711,551,210 |
| Total Net Debt Applicable to the Limit as a Percentage of Debt Limit | 7.94% | 6.89% | 5.84% | 5.03% | 11.02% | 9.31% | 7.95% | 6.51% | 5.02% | 4.91% |

Legal Debt Margin Calculation for Fiscal Year 2007

| | |
|---|-------------------------|
| Assessed value | \$ 34,157,661,932 |
| Less: Homestead Exempt Valuation | (1,124,752,586) |
| Total Assessed Value | <u>33,032,909,346</u> |
| Debt Limit for Bonds (15% of Total Assessed Value) | <u>4,954,936,402</u> |
| Present Debt Application to Debt Limitation | |
| General Obligation Debt | 245,689,409 |
| Less: Amount Available in Debt Service Fund | (2,304,217) |
| Total Net Debt Applicable to Limit | <u>243,385,192</u> |
| Legal Debt Margin | <u>\$ 4,711,551,210</u> |

**CITY OF MIAMI, FLORIDA
 PLEDGED REVENUE COVERAGE
 LAST TEN FISCAL YEARS**

| Fiscal Year Ended September 30, | Ad-Valorem Revenues (1) | Debt Service | | 2x Annual Debt Service | Coverage (2) |
|---------------------------------------|----------------------------|---------------|---------------|---------------------------|--------------|
| | | Principal | Interest | | |
| 1998 | \$ 205,663,020 | \$ 11,241,400 | \$ 12,677,883 | \$ 47,838,566 | 4.30% |
| 1999 | 170,186,403 | 9,240,400 | 11,886,971 | 42,254,742 | 4.03 |
| 2000 | 211,641,947 | 9,602,400 | 11,924,590 | 43,053,980 | 4.92 |
| 2001 | 226,040,821 | 10,243,400 | 10,524,127 | 41,535,054 | 5.44 |
| 2002 | 240,074,038 | 8,546,400 | 13,652,298 | 44,397,396 | 5.41 |
| 2003 | 250,581,519 | 7,809,464 | 13,997,817 | 43,614,562 | 5.75 |
| 2004 | 260,251,789 | 9,099,464 | 12,625,974 | 43,450,876 | 5.99 |
| 2005 | 261,901,194 | 8,555,229 | 12,491,326 | 42,093,110 | 6.22 |
| 2006 | 289,038,101 | 8,795,771 | 12,519,779 | 42,631,100 | 6.78 |
| 2007 | 294,252,080 | 10,514,753 | 14,627,989 | 50,285,484 | 5.85 |

Note:

- (1) Non ad valorem revenues shall mean all legally available revenues and taxes of the governmental unit in the Funds (defined as the general fund, special revenue funds, the capital project funds, the special assessment funds, and the expandable trust fund(s)) derived from any source whatever other than ad valorem taxation on real and personal property, including appropriated fund balances in the funds and applicable operating transfers (in).
 Non-Ad Valorem Revenues are required to be two times greater than projected debt service.
- (2) The Sunshine State Government Financing Loans require that available non-ad valorem revenues be two times the annual projected debt service for all debt other than general obligation debt of the City.

**CITY OF MIAMI, FLORIDA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

| Year | Population (1) | Personal Income (Amounts Expressed in Thousands) (2) | Per Capital Personal Income (2) | Median Age (2) | School Enrollment (3) | Unemployment Rate (4) |
|------|----------------|--|---------------------------------------|-------------------|--------------------------|--------------------------|
| 1998 | 365,548 | \$ 8,749,391 | \$ 23,935 | 35.00 | 345,861 | 6.40 |
| 1999 | 365,548 | 9,087,523 | 24,860 | 35.00 | 352,595 | 5.80 |
| 2000 | 365,548 | 9,538,244 | 26,093 | 35.60 | 360,202 | 5.30 |
| 2001 | 362,470 | 9,639,527 | 26,594 | 35.90 | 368,453 | 6.90 |
| 2002 | 362,470 | 9,706,947 | 26,780 | 36.90 | 374,725 | 7.70 |
| 2003 | 362,470 | 10,001,635 | 27,593 | 37.00 | 371,482 | 7.50 |
| 2004 | 362,470 | 10,539,177 | 29,076 | 36.60 | 369,578 | 5.70 |
| 2005 | 362,470 | 11,362,347 | 31,347 | 37.40 | 361,550 | 4.70 |
| 2006 | 362,470 | N/A | N/A | 37.00 | 365,784 | 3.40 |
| 2007 | 362,470 | N/A | N/A | N/A | 346,629 | 3.90 |

Sources:

- (1) United States Census Bureau
- (2) Miami-Dade County Finance Department
- (3) Miami-Dade County School Board Budget Office
- (4) Florida Agency for Workplace Innovation, Office of Workforce Information Services,
Labor Market Statistics
- N/A Information not available

**CITY OF MIAMI, FLORIDA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

| <u>Employer</u> | <u>2007</u> | | | <u>1998</u> | | |
|---|------------------|-------------|--|------------------|-------------|--|
| | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> | <u>Employees</u> | <u>Rank</u> | <u>Percentage of Total County Employment</u> |
| Miami-Dade County Public Schools | 50,000 | 1 | 4.19% | 32,789 | 1 | 2.97% |
| Miami-Dade County | 32,000 | 2 | 2.68% | 20,000 | 2 | 1.81% |
| U.S. Federal Government | 20,400 | 3 | 1.71% | 17,700 | 3 | 1.60% |
| State of Florida | 17,000 | 4 | 1.43% | 17,600 | 4 | 1.60% |
| Publix Supermarkets | 11,000 | 5 | 0.92% | | | 0.00% |
| Baptist Health Systems of South Florida | 10,826 | 6 | 0.91% | 5,285 | 9 | 0.48% |
| Public Health Trust/Jackson Memorial Hospit | 10,500 | 7 | 0.88% | 7,216 | 7 | 0.65% |
| University of Miami | 9,874 | 8 | 0.83% | 7,574 | 6 | 0.69% |
| American Airlines | 9,000 | 9 | 0.75% | 9,304 | 5 | 0.84% |
| Miami-Dade College | 6,500 | 10 | 0.55% | 5,700 | 8 | 0.52% |
| Bell South Telecommunications | - | | - | 5,200 | 10 | 0.47% |
| Total | 177,100 | | 14.85% | 128,368 | | 11.63% |

Source: The Beacon Council/Miami-Dade County, Florida

CITY OF MIAMI, FLORIDA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

| | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|---------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Number of Employees: | | | | | | | | | | |
| General Government | 390 | 460 | 488 | 511 | 523 | 587 | 594 | 617 | 641 | 644 |
| Planning and Development | 192 | 109 | 109 | 127 | 141 | 140 | 138 | 147 | 141 | 142 |
| Community Development | 23 | 140 | 140 | 172 | 170 | 91 | 77 | 73 | 61 | 52 |
| Public Works | 447 | 477 | 479 | 500 | 507 | 498 | 497 | 505 | 542 | 526 |
| Public Safety | 1,655 | 2,345 | 2,388 | 2,346 | 2,275 | 2,248 | 2,140 | 2,138 | 2,222 | 2,288 |
| Public Facilities | 44 | 34 | 34 | 37 | 37 | 33 | 43 | 45 | 55 | 56 |
| Culture and Recreation | 126 | 128 | 129 | 136 | 136 | 141 | 148 | 188 | 190 | 191 |
| Total Number of Employees | 2,877 | 3,693 | 3,767 | 3,829 | 3,789 | 3,738 | 3,637 | 3,713 | 3,852 | 3,899 |

Source: City of Miami, Budget Department

**CITY OF MIAMI, FLORIDA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

| Function/Program | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Community Development: | | | | | | | | | | |
| Entitlements/Grants Received | \$ 30,238,553 | \$ 44,278,455 | \$ 35,755,804 | \$ 53,634,346 | \$ 38,337,736 | \$ 35,569,042 | \$ 32,351,101 | \$ 37,191,063 | \$ 30,816,293 | \$ 29,943,482 |
| Public Safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Part 1 Crimes - (1) | 44,930 | 40,048 | 39,759 | 35,291 | 33,952 | 33,527 | 30,966 | 29,455 | 26,219 | 27,302 |
| Part 1 Arrests - (1) | 8,154 | 8,320 | 7,521 | 8,812 | 8,368 | 6,729 | 6,662 | 5,728 | 4,359 | 4,635 |
| Part 2 Arrests - (2) | 27,461 | 42,198 | 42,236 | 41,089 | 31,077 | 26,786 | 38,467 | 33,385 | 33,408 | 32,738 |
| Fire: | | | | | | | | | | |
| Number of Fire Calls | 12,239 | 11,897 | 13,310 | 12,945 | 12,228 | 15,571 | 17,889 | 19,017 | 12,694 | 14,472 |
| Number of EMS Calls | 57,930 | 58,507 | 60,166 | 63,104 | 63,041 | 62,784 | 64,500 | 67,300 | 70,423 | 72,757 |
| Number of Alarms | 70,169 | 70,404 | 73,476 | 76,049 | 75,269 | 78,355 | 82,389 | 86,318 | 83,117 | 87,227 |
| Planning and Development: | | | | | | | | | | |
| Certificate of Use Permits Issued | 19,351 | 19,394 | 19,682 | 19,483 | 20,366 | 20,625 | 20,422 | 21,123 | 21,142 | 22,000 |
| Occupational Licenses Issued | 37,116 | 36,250 | 36,867 | 38,207 | 37,524 | 39,040 | 39,422 | 40,371 | 34,197 | 42,000 |
| Culture and Recreation: | | | | | | | | | | |
| Summer Food Program - Meals Served (Lunches) | 97,276 | 68,603 | 67,589 | 83,515 | 96,249 | 124,701 | 122,749 | 89,324 | 55,126 | 104,472 |
| Summer Food Program - Meals Served (Snacks) | 117,363 | 92,285 | 96,128 | 116,899 | 132,481 | 146,786 | 115,837 | 100,870 | 61,000 | 114,670 |
| Solid Waste: | | | | | | | | | | |
| Refuse Collected (Tons/Day) | 706 | 735 | 748 | 725 | 805 | 768 | 793 | 578 | 713 | 629 |
| Recyclables Collected (Tons/Day) | N/A | N/A | N/A | 28 | 28 | 24 | 21 | 72 | 10 | 13 |

Sources: Various City Departments

Note: Indicators are not available for the general government function.

(1) Part 1 crimes and arrests include murder, rape, robbery, aggravated assault, burglary, larceny, and motor vehicle theft.

(2) Part 2 arrests include all other arrests that are not Part 1 crimes.

N/A Information not available.

**CITY OF MIAMI, FLORIDA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

| Function/Program | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|--------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Public Safety: | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Police Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Police Sub-Stations | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Fire: | | | | | | | | | | |
| Fire Stations | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 14 | 14 | 14 |
| Solid Waste: | | | | | | | | | | |
| Collection Trucks | N/A | N/A | 117 | 132 | 153 | 172 | 176 | 152 | 151 | 175 |
| Public Works: | | | | | | | | | | |
| Streets (Miles- Paved) | 660.8 | 660.8 | 660.5 | 659.2 | 659.0 | 658.9 | 658.9 | 660.0 | 667.4 | 662.2 |
| Streets (Miles - Unpaved) | 1.5 | 1.5 | 1.5 | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 | 3.1 | 1.2 |
| Transportation: | | | | | | | | | | |
| Street Resurfacing (Miles) | N/A | N/A | N/A | N/A | N/A | 25.0 | 33.5 | 33.5 | 17.9 | 23.3 |
| Culture and Recreation: | | | | | | | | | | |
| Parks Acreage | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 800 | 894 |
| Parks | 110 | 110 | 110 | 110 | 110 | 110 | 111 | 111 | 112 | 112 |
| Swimming Pools | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 12 | 11 |
| Tennis Courts | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 53 | 55 |
| Community Centers | 25 | 25 | 26 | 26 | 30 | 30 | 31 | 30 | 32 | 32 |
| Basketball Courts | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 61 | 63 | 63 |
| Water Playgrounds | - | - | - | - | - | - | 1 | 1 | 1 | 2 |
| Soccer Fields | 6 | 6 | 6 | 6 | 6 | 6 | 7 | 7 | 7 | 11 |
| Football Fields | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 10 |
| Baseball Fields | 25 | 25 | 25 | 25 | 25 | 25 | 25 | 21 | 25 | 27 |
| Open Practice Fields | - | - | - | - | - | - | - | - | - | 2 |
| Cricket Field | - | - | - | - | - | - | - | - | - | 1 |

Sources: Various City Departments

Note: No capital asset indicators are available for the general government function.

N/A Information not available.

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